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FEDERAL SPORT FISHING FEES

COMPLETED
ORIGINAL

HEARING

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

OF THE

COMMITTEE ON MERCHANT MARINE AND FISHERIES HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

ON

THE ADMINISTRATION'S PROPOSAL FOR A FEDERAL MARINE RECREATIONAL FISHING FEE

JUNE 19, 1986

Serial No. 99-35

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FEDERAL SPORT FISHING FEES

THURSDAY, JUNE 19, 1986

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
COMMITTEE ON MERCHANT MARINE AND FISHERIES,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:04 a.m., in room 1334, Longworth House Office Building, Hon. Walter B. Jones (chairman of the subcommittee) presiding.

Present: Representatives Jones, Oberstar, Studds, Hughes, Thomas, Carney, Bentley, and Young.

Also present: Representatives Saxton and Howard.

Staff present: Barbara Cavas, chief clerk.

STATEMENT OF HON. WALTER B. JONES, A MEMBER OF CONGRESS FROM THE STATE OF NORTH CAROLINA AND CHAIRMAN, SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

Mr. JONES. The subcommittee will come to order, please.

This morning the subcommittee will consider the issues surrounding the administration's proposal for a Federal marine recreational fishing fee. As many of you know, the administration wants to charge every marine recreational angler $10 for the privilege of fishing in Federal waters. The license would be issued by each coastal State in conjunction with its existing freshwater or marine license programs. Participating States would provide $5 of the license fee to the Federal Government and could assess any additional amounts to recoup the costs of administering the license program and for the cost of State fisheries management.

In addition to the administration's proposal, the first concurrent budget resolution passed by the House assumes that the Committee on Merchant Marine and Fisheries will report legislation implementing the administration's sport fishing licer[illegible]. The Senate budget resolution does not contain a similar measu[illegible]. The current House/Senate conference committee will determine [illegible]e outcome of any instructions in this matter.

The administration's proposal raises several questions. Is it fair to force recreational fishermen to purchase a Federal fishing license and not force commercial fishermen to do the same? Does the Federal Government have adequate authority to require that the States implement a Federal recreational fishing license? What sanctions would be applied to a State that chose not to participate in the marine license program? Who is going to enforce the license requirement: the National Marine Fisheries Service, the States, or

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the Coast Guard? How will a Federal license program affect States which currently have a marine recreational fishing license?

We hope to receive answers to these questions at the hearing today. To aid in this process, we have invited four panels of distinguished witnesses to testify. The witnesses include concerned Members of Congress as well as representatives from Federal agencies charged with fisheries management, State fisheries management agencies, and sport and commercial fisheries groups.

I might note that the proposal was first announced in late January as a part of the fiscal year 1987 budget. There were few details provided then. We have been waiting nearly half a year for draft legislation to be transmitted to the Congress. Having this hearing before the legislation has been submitted is not the most ideal situation, but our timing has been forced by the House version of the budget resolution. If we were to wait until the bill is submitted, the budget conferees might agree on the marine recreational fishing fee, and this committee might be faced with reconciliation instructions on this subject without any substantive input whatsoever.

The administration calls the proposal a "user fee." How can this license be called a user fee when the proposal would have the receipts deposited in the general fund? It can't. Instead, this proposal is nothing more than a selective tax on marine recreational fishermen. In fact, I have a sneaking suspicion that the administration conceived of this idea solely to raise revenue, not because it believed that it is a good fisheries management policy.

Mr. Carney.

Mr. CARNEY. Mr. Chairman, I know that Chairman Howard has a meeting that he has to chair, and I will submit a statement for the record so that we can get to Mr. Howard's testimony at this time, and then we can go and vote on the journal.

[The prepared statement of Mr. Carney follows:]

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STATEMENT OF HON. WILLIAM CARNEY, RANKING MINORITY MEMBER, SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

Thank you Mr. Chairman, today the Subcommittee is examining a proposal that is intended to help reduce the very real fiscal pressure on the Federal budget. This is a goal we are all working to achieve. However, this application of the Administration's "user fees" policy to recreational fishing in marine waters would create many more problems than it would solve.

This hearing is intended to gather information and all parties will have the opportunity to present their case. At the outset, I must state that there are few merits to any federal ocean sport fishing license in general, and this proposal in particular.

The Administration was ill-advised to include this proposal in their FY 1987 Budget; however the House is equally as culpable because at the recommendation of the Budget Committee it approved a budget resolution that included this proposal. This Committee must now deal with the ramifications of that decision.

The first and perhaps most important question that this proposal raises is that of fairness. This fee would only apply to marine sport fisherman. These anglers are already paying a federal tax on their tackle and other equipment. There had better be a good reason for them to have to pay more to the federal government to fish. This question becomes even more important when we view the fact that funds collected from the license would not be used to

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protect and replenish our vital fisheries resources, but rather, they would go into the general treasury. This looks more like a tax than a user fee. If a tax is necessary it should be fair. This tax appears to be both unfair and unnecessary.

Another important question that should be considered is what is the proper role of the federal and state governments in this area? It may be better for the Federal government to work with the coastal states to implement fair state licensing for their anglers rather than for Washington to intervene directly in an area that is best left to the states in both practice and in keeping with the spirit of the Constitution.

Mr. Chairman, this proposal also raises serious questions about the feasibility of enforcement of this type of Federal fishing license. I am reminded of the tags that are attached to pillows and mattresses which read "removal of this tag is a violation of Federal law." I do not believe that anyone has ever been prosecuted for removing a tag from a pillow and enforcement of a federal fishing license would meet a similar fate. This hearing should bring out as much information as possible on a program that could have such a serious effect on our recreational fishermen.

Thank you, Mr. Chairman and I thank all our witnesses for taking the time to appear here today.

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Mr. JONES. Mr. Howard, the Chair recognizes you. We are delighted to have you before this subcommittee.

STATEMENT OF HON. JAMES J. HOWARD, A U.S. REPRESENTATIVE FROM THE STATE OF NEW JERSEY

Mr. HOWARD. Thank you very much, Mr. Chairman and members of the committee. My Committee on Public Works and Transportation this morning is marking up a 5-year, $90 billion highway transit bill, and I thank you for permitting me to testify early so I can get back for that, and I will be as brief as I can.

First of all, I am happy to have the privilege of appearing before your subcommittee today to discuss a matter which is of vital importance to the Third Congressional District of New Jersey, which I represent. The request to Congress for a saltwater fishing license tax, if implemented, would be a devastating blow to recreational fishing at the Jersey shore. It would hurt our local fishermen and discourage thousands of visitors to my district, which is heavily dependent upon tourism. It would also have a very negative impact on fishing-related businesses, such as bait and tackle shops.

According to the White House budget document, "There is reason to believe that those who can afford bait, tackle, and boat transportation would be willing to pay a small fee for the privilege of fishing in Federal waters." I wonder where they get the word privilege?

Unfortunately, for a vacationing family of five who only wish to fish for 1 day, that small fee becomes $50. I sincerely doubt that many families, even those who can afford bait, tackle, and boat transportation, would want to pay that much to fish for a few hours.

So not only will this saltwater license not be bought, bait will not be bought, tackle will not be bought, and boats will not be rented. Of course, no State or local taxes will be paid, either. So we have now ruined a family's day of fun, lost business for a bait shopowner, a tackle shopowner, a charter boat operator, and we have denied a local municipality and the State of taxes they would have received.

But not only have we hurt the local economy; we have also created another layer of bureaucracy. According to the administration, States will have to enforce the law and ensure that saltwater fishermen have bought their licenses. Of course, this extra enforcement will cost money, and that enforcement will be paid for by the fisherman, as this proposal envisions that States could assess an additional amount of money, over and above the proposed $10 fee, to recoup the costs of administering the license program. As no one can estimate how much this extra enforcement will cost, we could very well be talking about considerably more than a $10 fee.

According to my constituents, who have been quite outspoken with regard to their opposition to a saltwater fishing license, this proposal will add to an already overwhelming list of licenses and permits borne by saltwater commercial and recreational fishermen. That list can include a commercial clam license, recreational clam license, nonresident recreational clam license, crab pot license, oyster tonging license, sea clam license, sea clam noncommercial li-

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cense, crab dredging license, bay scallop permit, clam relay permit, clam relay lease, clam lease, eel pot license, recreational bay scallop license, gill net license, staked gill net license, purse seining license, haul seine license, flounder fyke license, otter trawl license, clam depuration permit, pound net license, bait seine license, oyster dredging license, oyster shucking house license, oyster dealer license, boat registration, survey fee, transfer fee, wire pound net license, parallel net license, shrimp trawl license, lobster pot license, and killie pot license. And I may have missed a few of these taxes that are already being paid by them.

Some have also claimed that since there are freshwater fishing licenses, implementation of a saltwater fishing license can be justified. That view simply does not hold water, so to speak. Freshwater licenses may be justified because the fees collected are used to restock inland fishing areas, something that cannot be done in the ocean. Any money collected from a saltwater fishing license would be used as general revenue, not to ensure that future generations can also enjoy saltwater fishing. And of course, freshwater fishermen fish much more often; saltwater fishing is a recreational, 1-day-a-summer or 2-day-a-summer situation with many people.

In conclusion, I'd like to ask why it is that the saltwater fishermen are being singled out to pay an increased share of the deficit. If this "user fee," otherwise known as a tax, is implemented, what will be next? Maybe a bicycle user fee; after all, bicyclists have the privilege of using roads that are built with Federal funds.

Mr. Chairman, the recreational fishermen in my district, as well as the owners of businesses dependent on the fishing industry, have reason to be confused over the President's policies. They see the President on television promising to veto any new tax, as he did last week in his press conference, but at the same time we're being threatened by a new tax under the guise of a user fee.

I would urge this committee to accommodate the President, to make his day, and to make our day, and say no to a saltwater fishing tax.

Thank you very much, Mr. Chairman and members of the committee.

Mr. JONES. Thank you, Mr. Howard. In the interest of time, I will not ask you any questions. You pretty well expressed my sentiments.

Mr. HOWARD. Thank you very much, and I can see that there are many members of the committee up here who, I am sure, are also interested in what is happening in the oceans and with their recreational areas of Long Island, Georgia, North Carolina. Our Senator, Senator Lautenberg, is expected to be here very shortly to testify also, and I want to thank you very much for your time.

Mr. JONES. Mr. Carney.

Mr. CARNEY. I think we should go vote, Mr. Chairman.

Mr. JONES. The Chair declares a 10-minute recess. Thank you very much.

[Recess.]

Mr. JONES. The committee will come to order.

Our next witness is the distinguished gentleman from New Jersey, Senator Lautenberg.

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You are recognized, Senator, for as much time as you may consume.

STATEMENT OF HON. FRANK R. LAUTENBERG, A U.S. SENATOR FROM THE STATE OF NEW JERSEY

Senator LAUTENBERG. Thank you, Mr. Chairman. I'll try to be brief.

I am pleased to sit here at the witness table with my distinguished colleague from New Jersey, Congressman Hughes, and to greet also, Mr. Chairman, my colleague from a slightly different part of the State of New Jersey, Congressman Saxton, and to be here with all of you.

I am concerned about the proposal that's before us to impose what I consider a tax on the recreational fisherman in our country. I am pleased to have the opportunity to testify before you. I am also pleased to join another colleague who is not here at the moment but who has a vital interest, as does Congressman Hughes; I'm talking about Congressman Jim Howard—because they represent so many of the fishing communities along the New Jersey shore. They understand firsthand how important fish resources are to our State and the threat posed to coastal communities by the administration's proposal to impose licensing fees on recreational fishermen.

In his fiscal year 1987 budget submission, President Reagan proposed a Federal sportfishing license fee. Fishermen would have to pay this fee before they would be allowed to fish in our coastal waters. The fee is nothing more than a tax increase imposed on a small segment of the population. In the Senate, I have introduced legislation, Senate Resolution 405, with Senator Fritz Hollings of South Carolina, to get Congress squarely on the record in opposition to this tax. And I hope that this committee will conclude that this new fee, or tax, has no place in this year's budget.

The administration's proposal calls for a fee of at least $10, to be levied annually, for the right to fish in our oceans; $5 of that would go to the States, which are designated to administer the fee. The Federal share of the fee, which the administration estimates will amount to $20 million in fiscal year 1987, would go into the Federal Treasury, the purpose of which is to reduce debt.

Now, unlike a true user fee, it will not be used to enhance our fisheries or to cover Federal expenditures for fishery programs; instead, it is pure and simply a revenue raiser. It targets recreational fishermen as a source of revenue to reduce the Federal debt. We all know that there are better ways to do that.

The Federal Government spends about $3 million annually to directly enhance or support recreational fisheries. Yet this proposal seeks to raise $200 million over the next 5 years, all from the pockets of recreational fishermen. That's over 10 times the amount we put back into our fisheries system.

Mr. Chairman, recreational fishing is a vital part of New Jersey's economy. Recreational fisheries directly contribute between $300 million and $400 million each year to our State. This, combined with other shore activities, this vocation makes tourism the No. 1 industry in our State.

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Mr. Chairman, residents of New Jersey view this proposal as eminently unfair; but more than equity is involved. The very livelihood of those involved in boats and fishing industries could be at stake. The administration argues that a $10 fee is insignificant. But let's look at a typical situation along the New Jersey coast, or any coastal State, for that matter.

A family vacationing at the shore decides to go fishing, and want to go out on a party boat or a charter boat. It's a family of four. Typically, they would spend about $25 each to board that boat. Now tack onto that another $10 for each family member. Once you do that, it's enough to make a lot of families hesitate, and many of them will decide to stay on the beach rather than go fishing. That could leave a lot of boats stuck at the docks and a lot of people associated with the marine industry having their incomes severely impaired. And it's not an unreasonable fear.

In New Jersey, charter boat operators estimate that as many as 90 percent of their customers are one-time fishermen, people who are on vacation, casually going fishing. They're not big spenders, typically; the imposition of a Federal licensing fee of $10 for one trip could be enough to discourage a significant number of these fishermen.

The impact wouldn't be limited to boat operators. As you know, Mr. Chairman, the economies of coastal communities are highly dependent on summer tourism. Hotels, restaurants, and stores depend on a thriving recreational atmosphere. With a recreational fishing industry adversely impacted by a Federal license fee, related industries will suffer as well.

The administration is looking to expand this proposal. NOAA Administrator Calio testified before the Senate Appropriations Committee that he is considering extending the proposal to include commercial fishermen.

Commercial and recreational fishermen combined generate an estimated $27 billion in revenues each year, and employ approximately 900,000 people. The cumulative impacts of this proposed fee on fishing, tourism, and related businesses could be devastating to local and State economies up and down our coasts.

Commercial fishermen already pay Federal taxes on marine fuel and equipment. Imposition of this fee would be double-dipping into the pockets of people who are already digging deeply enough.

Aside from its adverse impact on local economies, Mr. Chairman, this proposed fee dips into State resources and poses an additional administrative burden on State governments at a time when Federal assistance is being sharply curtailed.

The majority of fish caught by recreational fishermen are taken within State waters. Over 3 times as many fish are taken less than 3 miles offshore than outside those limits. These waters are normally considered inside State boundaries, and are under the jurisdiction of the State governments. Yet, the administration seeks to require a Federal licensing fee for all marine fishing.

The proposal also places the burden of enforcement on the States. It would require that State governments, already strapped with other responsibilities, would have to divert resources and personnel to police a licensing program designed to reduce the Federal debt. In addition, because several coastal States already impose

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some form of fish licensing fees, the proposed Federal license would tap a source of revenue that has traditionally been left to the States.

Mr. Chairman, this proposal is poorly-conceived, unfair; it saddles a small sector of the economy with a disproportionate burden to reduce a deficit that it didn't create. I oppose it, obviously, and many of my Senate colleagues oppose it. I hope that this committee, in its wisdom, also will turn it down.

I thank you, Mr. Chairman, for the opportunity to testify before you today.

[Press release of Senator Lautenberg follows:]

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Frank
Lautenberg
United States Senator
for New Jersey

For Immediate Release
June 19, 1986

For Further Information
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Deficit Reduction Shouldn't Come from Pockets of Recreational Fishermen; Lautenberg

Washington -- Senator Frank R. Lautenberg, D-N.J., Thursday urged the House Merchant Marine and Fisheries Committee to reject the Administration's proposal to charge recreational fishermen a licensing fee.

The administration has proposed that a federal ocean sportfishing license fee be included in the 1987 budget. The fee would be at least $10 with five dollars going to the states, which would administer the fee, and the balance going to the federal government. The federal share would go into the federal treasury for the sole purpose of debt reduction.

Lautenberg is the author of a Senate Resolution opposing the sportfishing license. Lautenberg was joined in introducing the resolution by Senator Ernest Hollings, D-N.C.

"This fee is nothing less than a tax increase levied on a small segment of the population," Lautenberg said. "Unlike a true user fee, it will not be used to enhance our fisheries, or to cover federal expenditures for fisheries programs.

"Instead, it is a revenue raiser, pure and simple. It targets recreational fishermen as a source of revenue to reduce the federal debt."

An estimated 1.6 million salt water recreational fishermen reside in New Jersey, while another 1.2 million tourists come to the state each year to fish in the Altantic coastal waters. There are 800 owners of large marine sportfishing charter boats. Recreational fisheries bring in between $300 to $400 million each year. Lautenerg said he is concerned that the $10 fee could deter recreational fishermen who only fish once or twice a year.

"Say a family of four hires a fishing charter boat. They expect to pay about $25 each to charter a boat," Lautenberg said.

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"Now tack another $10 onto that bill for each family member. Once you do that, an awful lot of families will hesitate. And, many of them will decide to stay on the beach rather than go fishing.

"Suffice it to say, that a $10 fishing fee would discourage a significant number of these recreational fishermen."

The administration proposes to raise $200 million in revenues over the next five years through this program. The federal government spends about $3 million annually to directly enhace or support recreational fisheries.

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Mr. JONES. Thank you, Senator, very much.

Am I correct in my observation that many of these so-called "sport fishermen" and their families—it's the only recreation that they have as a family unit?

Senator LAUTENBERG. It's correct to say, Mr. Chairman, that the typical fisherman is someone that often has limited other opportunities for recreation, for travel, for extravagant vacations. And we're talking about Mr. and Mrs. Basic America, often modest income earners, who have a chance to get out, enjoy the sea, enjoy nature, have a chance to engage in a family sport.

Mr. JONES. To say the least, most of the sport fishermen are not members of country clubs or golf clubs and that sort of thing?

Senator LAUTENBERG. I can tell you this, Mr. Chairman. I go fishing occasionally—I did last weekend—and if the results are what I get when I was out there, which was just to spend a lot of pleasant time on the water, it's less costly for less result than being out on the golf course at some fancy country club.

Mr. JONES. Senator, did you have any luck?

Senator LAUTENBERG. The only luck I had was that I was with my wife and four kids. Other than that, the fish didn't interfere with our day.

Mr. JONES. I'm very sorry.

Mr. Carney.

Mr. CARNEY. Thank you very much, Senator. I agree 100 percent with your testimony and I think it's very, very timely, and I would hope that your body will be in a position to stand tall and tough on this issue in the budget, because the House has fees in the budget. And I understand that yesterday there was a call over here saying, would we accept to the Senate position? And the answer was no. So it looks like the House leadership wants to go forward with fees for fishing, so you folks over in the Senate, you're going to have to hang tough. And I hope that you will, and I hope that you'll bring that message back to the Senate.

The leadership over here must think that fees are a good idea because they refuse to accept your position. So hang tough, Senator, and do that job that should be done for the American people.

Senator LAUTENBERG. We appreciate that, Mr. Carney. I can tell you, coming from a State like New Jersey which proportionately has more coastline for its land mass than almost any other State in the country, with a few rare exceptions, I assure you that we take your instruction very seriously and we're going to be fighting hard. And I think that we'll be able to persuade all of our colleagues in the Senate that this is a foolish idea. It's incredible when you think of the magnitude of the budget deficit, how it got there, some of the programs that are still being sponsored in terms of—perhaps some of the military programs where there's a question about the product, and so forth—and now we expect the recreational fisherman to go ahead and try to reduce that deficit on their backs.

Mr. CARNEY. And the amount of money we're talking about is so insignificant when you think about it, the overall deficit that we're dealing with, to anticipate a $20 million revenue enhancement—or even $50 million in 1988. This is absolutely ludicrous to the people of America.

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The waters have been free. The Lord put the ocean on the Earth for our use, and I don't think anyone has the right to tax access to the oceans of the world.

Mr. JONES. Any other members?

Mr. SAXTON. Mr. Chairman, let me first thank you for agreeing to let me take part in this subcommittee hearing this morning. Although I am a nonmember of this subcommittee, it does not lessen the importance of this issue to New Jersey and particularly, of course, the 13th District that I represent.

Senator Lautenberg, let me commend you for taking the initiative to introduce Senate Resolution 405, which will express the sense of the Senate in opposition to this saltwater fishing fee. I know that you know how important it is to our State and to other coastal States and for all of the reasons that you have set forth in your testimony. And so, I want to thank you for taking that responsibility of leadership in the Senate on this issue. Thank you.

Senator LAUTENBERG. Thank you.

Mr. JONES. Do any other members of the committee desire to have any questions?

[No response.]

No?

Ms. BENTLEY. Mr. Chairman, I would like to have my prepared statement made a part of the record.

Mr. JONES. Without objection, the gentlelady's statement shall be included in the record.

[The prepared statement of Ms. Bentley follows:]

STATEMENT OF HON. HELEN DELICH BENTLEY, A U.S. REPRESENTATIVE FROM THE STATE OF MARYLAND

Thank you Mr. Chairman. As a Congresswoman from the coastal state of Maryland, I am very concerned about the President's proposed "ocean Federal sportfishing license of $10 minimum per angler". Maryland is one of seven coastal states which currently has a saltwater recreational fishing license for residents and nonresidents. How would the President's policy be implemented in States, such as Maryland, that have a marine fishing license in place? Would the implementation of this policy mean that Maryland would have to raise their license fee by $5 and then return the additional proceeds to the Federal Governmnent?

I hope this question and many others, such as the constitutional, equitable and economical questions which arise in connection with this proposal are answered at today's hearing. I thank the Chairman and the ranking minority leader for calling this hearing and arranging for these witnesses to testify. Their testimony is important today.

Mr. JONES. Anyone else?

[No response.]

If not, Senator, thank you very much for taking your time to appear before this committee, and we are honored that you would be here.

Senator LAUTENBERG. Thank you very much, Mr. Chairman and members of the committee.

Mr. JONES. Continuing the observance of New Jersey Day, it's now my pleasure to recognize the gentleman from New Jersey, Congressman Hughes.

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STATEMENT OF HON. WILLIAM J. HUGHES, A U.S. REPRESENTATIVE FROM THE STATE OF NEW JERSEY

Mr. HUGHES. Thank you, Mr. Chairman, and I have a statement which I'd like to submit for the record.

Mr. JONES. Without objection.

Mr. HUGHES. I'm not going to read the statement because it would be duplicitous of much of what Senator Lautenberg has already testified to. Suffice to say that I share the concern expressed by my colleague from New Jersey, our junior Senator, as well as Jim Saxton, who is my neighbor to the north and west, about this tax—and that's what it is; it's been proffered as a "user fee," but as the chairman has often observed, if it walks like a duck and sounds like a duck, it's a duck—it's a tax. It's not going to benefit the recreational fisherman. And even though, as my colleague from New York has observed, it's insignificant to the Federal Treasury, it's extremely significant to the individual who boards those party boats and goes fishing on weekends.

I don't know about your district, Mr. Chairman, but I suspect it's much like mine. I have much of the tourist industry located in my district. Our colleague, Jim Saxton, also has a very large segment of our tourist industry. The average visitor to my area comes with his family for a week, 2 weeks at the most, and they are there with several youngsters, and it's difficult enough to take your family on vacation, let alone be saddled with a $15 or $16 per head fishing tax, a fishing fee which they have to pay; and then on top of that, pay an additional tax of some $10. I think you just would deny to a lot of people the opportunity to enjoy recreational fishing.

Let there be no mistake. Recreational fishermen who fish in marine waters already pay their fair share of taxes and fees to the Federal Government, including, as you well know, a 10-percent Federal excise tax on most of their tackle, a 3-percent tax on certain fishing equipment, and a 9 cents per gallon Federal tax on motorboat fuel. According to my calculations, that totals about $150 million a year. We've been wrestling with the Office of Management and Budget for a number of years to get them to spend this revenue for the purposes for which it was earmarked. One of the complaints of our fishermen is that we've collected tax for a number of years and we haven't used it for fish restoration, boating safety, and the other purposes for which that money was put into a trust fund.

We haven't been fair to the recreational fishermen to date, and this would just compound, the problems that we have placed on them for a number of years.

My colleague from New Jersey aptly described the impact. We're talking about fish, by and large, in State waters, not Federal waters. This whole "user fee," as they call the tax, hasn't really been thought out. Who would collect the tax? Certainly the Coast Guard is already saddled with more missions than they can already afford to carry, so we can't place the enforcement on them. Are we going to dump it on the States? That would be the height of irony if we were to tax fish caught in State waters, and then require the States to actually enforce the Federal tax. Who would impose the fines, if in fact fines were imposed for not having a license? Who

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would enforce that? Who would set the rate of fines? And, of course, we'd be denying to States the revenues that rightfully belong to the States.

It seems to me that I'm being generous when I suggest that it really hasn't been thought through. I don't think anyone over at the Office of Management and Budget has ever really visited these areas to understand what impacts it would have on middle-income America, and that's where the impact would be felt.

So, Mr. Chairman, I vigorously oppose this particular initiative. I hope that we can sink this thoughtless measure; I hope that our colleagues in the Senate can knock it out of the budget resolution, but if not, I hope that my colleagues here on this committee will be prepared to battle it here in the House because it just doesn't make sense at all.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Hughes follows:]

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Statement of Hon. William J. Hughes, a U.S. Representative From the State of New Jersey

I am pleased to have the opportunity to be here with you this morning to comment on the Administration's proposal to require saltwater fishermen to pay a ten dollar federal sport fish licensing fee. As you know, I have a number of concerns with regard to this proposal.

It is unfortunate that the first concurrent budget resolution, H. Con. Res. 337, which passed the House on May 15, assumes that the Merchant Marine and Fisheries Committee will report legislation to implement the President's proposal. I am pleased to see that Senator Lautenberg has introduced S. Res. 405, expressing the sense of the Senate in opposition to the federal marine recreational fishing fee. I plan to work with Senator Lautenberg in urging the Conferees on the bill to drop this provision.

As a Member of the Subcommittee on Fisheries and Wildlife Conservation and the Environment and the representative from New Jersey's largest coastal district, I am greatly concerned over the impact of this proposal on recreational fishermen and the marine and tourist industries which depend on them. Recreational fishing is big business. In New Jersey alone, close to 1 million people engage in saltwater sport fishing in coastal waters.

Let there be no mistake, recreational fishermen who fish in marine waters already pay their fair share of taxes and fees to the federal government, including a ten percent federal excise tax on most of their tackle, a three percent tax on certain fishing equipment, and the nine cents per gallon federal tax on motorboat fuel. At the same time the Administration is also asking Congress to enact legislation to impose a Coast Guard "user fee" which would be assessed against many of the same people asked to pay for the new fishing license.

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The Administration's saltwater license fee is simply another tax on an already overtaxed group of people who are asking for nothing from the federal government other than to be left alone so they can go fishing. The proposal, as outlined in the President's budget, would raise $20 million in FY87, $30 million in FY88, and $50 million in FY89. The license fee is clearly designed to raise federal revenues and provides no benefits for recreational fishermen or the states.

Instead of depositing these funds in accounts designated for the benefit of the fishermen, the Administration would simply turn over the money collected to the General Fund of the Treasury. This is just another fishy scheme to try to balance the budget on the backs of hard working Americans.

The federal sport fishing license fee also fails to take into consideration the fact that the majority of fish caught by those who fish in the oceans are taken from state and not federal waters. The Administration has made no attempt to demonstrate the need for such a license. Why, for example have recreational fishermen been singled out for this user fee? Other questions, such as the application of fees to individuals fishing in inland bays and estuaries such as the Delaware Bay, are also unanswered.

The Administration's proposal requires the states to collect these fees while also leaving them with the burden of administering the program. The proposal fails to take into consideration the enforcement issues. Is the Coast Guard expected, for example, to allocate already scarce resources to stop recreational vessels to determine whether fishermen are properly licensed or does the Administration expect state law enforcement officials to undertake the enforcement responsibilities? What penalties would attach from taking fish without a license?

The saltwater fishing license proposal raises more questions than it answers. The proposal has not been well thought out. The time has come to stop asking recreational fishermen to pay more and more and more when they are already paying close to $150 million per year in taxes on fishing equipment and motorboat fuel.

Mr. Chairman, I look forward to working with you and other concerned members of the House and Senate to sink this proposal for once and for all.

Thank you.

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Mr. JONES. Thank you, Mr. Hughes. I have no questions.

Mr. Carney.

Mr. CARNEY. Thank you.

Mr. Hughes, I completely agree with you on that, and I'd like to take this opportunity, as the Representative of a district that you might say borders your district, across a waterway—I'd like to take this opportunity to say that you're right on target on this issue, just as you have been on the quality of the waters that we share, our beachfronts, our borders to our districts, I think, and I'd like to commend you for what you have done to ensure the people—not only of New Jersey, because what you do effectively in New Jersey affects my waters as well, and I'd like to commend you for the job you've done in that area, as well.

Mr. HUGHES. Thank you. The way we do redistricting in New Jersey, I might be closer than you think. [Laughter.]

Mr. CARNEY. Well, by that time I will not be in the body, but you are on target and I commend you for your very important presentation.

Mr. HUGHES. Thank you.

Mr. JONES. Any other members of the committee that would like to be recognized?

[No response.]

Mr. Saxton.

Mr. SAXTON. Congressman Hughes, I'd like to pick up on the one comment that you made that I think fairly well describes my feeling about this situation, and that is that apparently those who have suggested that this is a good idea—that is, the imposition of a fee to be able to fish in saltwater—perhaps don't understand the problem, at least in States and districts like ours.

Statistics from Fish and Wildlife itself, for example, show that there were 900,000 resident anglers in New Jersey's saltwaters in 1980. And as a result of the estimation that perhaps those folks would spend perhaps $20 a day, we're looking at an annual expenditure of somewhere in the neighborhood of $360 million in our economy. I was wondering if perhaps we could describe together for those who may be here and interested just how many types of saltwater fishing and how deep that industry affects our economy in New Jersey on a typical day. People go out on head boats and people stand on the sand and fish in the surf; people rent small boats and fish in the bays; people rent party boats and go out in the ocean, perhaps a long ways, deepsea fishing. Would you expand on our type of sport fishing in New Jersey and perhaps enlighten all in the room as to just how important that industry is, not just to the fishing people—who in traveling to the shore for a day, buy food on the way and buy gasoline and rent boats. The industry and the potential impact of this tax on our district, I don't believe at this point, is still understood by the administration and those who support this fee.

Mr. HUGHES. The gentleman is absolutely right. You can't travel along the roads in my district today without seeing people fishing off the bridges, fishing off of little piers, in addition to the surf fishermen. They rent the boats for $10 a day and go out into the bay.

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Mr. SAXTON. I have some questions as to what it would cover. You're talking in terms of the estuaries. Would blue crabs be covered as well?

Mr. HUGHES. Crabbing? Is that going to be covered? That's a recreational sport. And it does impact our districts rather dramatically. Tourism is a multibillion-dollar industry, and fishing is an extremely important part of it in our State. I know that's the case in Maryland, New York, North Carolina, and other coastal areas, and we're not talking about the very affluent. We're talking about families that come in for the day. They drive in—we call them "shoobies" because they come in with shoe boxes, often, packed with lunches. And in fact, it's not unusual to see a family of three or four go out on a head boat. The head boats have reduced fishing down to half a day to try to bring the rates down and to give people more of an opportunity to go fishing. There's half-day fishing on the head boats.

These are people that have a hard time, first of all, coming up with the $15 charge or whatever it is per head. Many times they can't take the children because of the present expense. And if you add on top of that a $10 fee, why, you're just going to price them out of the marketplace, and that will have a dramatic impact.

Mr. SAXTON. It's not the people, perhaps, that we're so concerned about who start fishing in March or April and continue to fish into late November. Rather, it's the little folks, "shoobies" as we refer to them, who perhaps fish one day out of the year with their family. And a fee like this could add a $40 or $50 cost to that day.

Mr. HUGHES. That's precisely what the impact would be. It would be devastating. And as the gentleman from New York aptly observed, it really doesn't make a dent in the overall budget process, but it's going to impact a very important industry because, as you well know, we have a seasonal type of industry. We have a difficult time as it is, trying to keep the people employed. We export many of our young people out of our areas because we don't have the year-round economy. So it's an important economy.

Mr. CARNEY. Would the gentleman yield?

Mr. SAXTON. Sure.

Mr. CARNEY. Mr. Hughes points out the small amount of money that this proposal would raise, but think of the cost it would mean to the States to try to enforce a licensing program. It would have to be a net loss to any State who made any attempt to enforce this program. I would have to think it would be virtually impossible to enforce a saltwater licensing program along the New Jersey coast, where there are 900,000 people fishing a year. To me, it's ludicrous.

Mr. HUGHES. The gentleman is absolutely right. We would experience problems in the cost of enforcing a beach tag on beaches, and there you have a rather limited situation, having inspectors walk up and down the beach and check folks.

In this instance, you have boats—you have literally tens of thousands of people on a day like this that are on bridges, the back bayous, the bays, the streams, in the coastal waters. Frankly, you'd have to bring in about three divisions of Army troops to enforce it effectively.

Mr. CARNEY. I don't mean to be dramatic, but if we're going to have people on the waters doing enforcement, I would think the

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best way we could utilize those types of people would be in drug interdiction and not running around stopping some family and asking them if they have a license to fish in this God-given ocean.

Mr. HUGHES. I wish we could persuade the administration to make some commitments to border patrol. That is where we need additional enforcement, not on the beaches in Ocean City, NJ or Bivalve, or wherever.

Mr. CARNEY. I thank my colleague for yielding.

Mr. SAXTON. Perhaps there's just one more point that has to do with this whole subject.

Recently, a private family in my district who have previously been in the business of owning head boats and operating them, purchased a brand new one; in fact, closing was last Thursday. And I don't know what the exact cost of it was, but the National Oceanic and Atmospheric Administration helped in that purchase by guaranteeing the loan. Obviously, NOAA thought that it was advantageous for the Government to be involved in guaranteeing a loan because it's good for business, it's good for fishing, it's good for our tourism. And that very boat is one which will depend on 1-day fishermen and women. And I'd hate—if we do this, I'd hate to go back home and face that family that has made an investment and an obligation to the tune of several hundred thousand dollars, I would guess—although I don't know the number—to go into that business, and have the Federal Government say, we are now going to change the rules on your investment. We are now going to say to you that everyone who comes on board your boat is going to have to pay an extra $10 in addition to the fee you charge them to go on your boat.

Are there other cases like that up and down the coast?

Mr. HUGHES. Oh, it happens all the time. And you know, it's unfortunate; so often, the left hand doesn't know what the right hand is doing. Here we have another initiative that would undercut a policy which encourages individuals to invest in additional vessels. It's not unusual for us to see Federal policy take a 180-degree turn like that and undercut the ability of that individual to repay that loan, and the Federal Government is on the hook for the obligation, not to mention that we have a family that is out of business. And it's precisely that kind of thoughtlessness that's involved in this initiative.

I don't think it's been thought out. I think it's some bureaucrat over at OMB that was looking around, trying to reduce that budget deficit, and he said hey, here's a good area to do that. It wasn't thought out. They have no idea how it's going to be enforced; nobody's ever thought about that. Here we are; we're struggling, as my colleague from New York said, to try to figure out how we're going to get enough resources to increase the border patrol because we only have about one border patrolman for about every 9 miles of border right now. We have floods of aliens coming across the border. We can't figure out how we're going to provide the resources to deal with that, and now we're talking about creating a new nightmare. It doesn't make sense.

Mr. SAXTON Thank you.

Mr. Chairman, I'd just like to conclude my time by pointing out to all who are interested in listening just how serious this is to

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coastal States like New Jersey. It's not just a $10 fee. It sounds like a little, but it means a lot.

Mr. JONES. Would the gentleman mind adding North Carolina?

Mr. SAXTON North Carolina as well, Mr. Chairman.

Mr. JONES. Thank you.

Mr. SAXTON Thank you very much.

Mr. HUGHES. It's more important that we have North Carolina, as a matter of fact, if you want to be precise.

Mr. JONES. Does anyone else desire—Ms. Bentley?

Ms. BENTLEY. I can't let you get away without mentioning the State of Maryland, which also has as beautiful a coastline as the State of New Jersey and the State of New York and the State of North Carolina, plus the fact that we have the beautiful Chesapeake Bay, which is not saltwater all the way now, but salt is eating its way up into the bay. And the question is, would they someday impose the license on the fishermen in Chesapeake Bay as well?

I knew I didn't like the tax bill at all, Mr. Chairman, but now I'm convinced of it.

Thank you, Mr. Hughes, for all of the support.

Mr. HUGHES. Thank you. I could tell you, I've had some great fishing in Maryland over the years, so I can attest to the fact that you have beautiful fishing grounds.

Mr. YOUNG. Mr. Chairman.

Mr. JONES. If you would withhold and let me recognize Mr. Thomas.

STATEMENT OF HON. ROBERT LINDSAY THOMAS, A U.S. REPRESENTATIVE FROM THE STATE OF GEORGIA

Mr. THOMAS. Thank you, Mr. Chairman.

I would just say that—of course, I want to add Georgia in there. We've got well over 100 miles of coastline, and over a million acres of some of the most productive salt marsh estuaries on the eastern coast and, for that matter, on the coast anywhere in the world. We generate around $400 million annually into the State's budget from the fishing industry, and the recreational use of our coastal marsh areas, estuaries and waters are extremely important. I certainly agree with the remarks of our good friend and colleague, Mr. Hughes, and those that have been made so far here this morning. So I would just like to associate myself with those remarks, speaking for the State of Georgia. Thank you.

Mr. JONES. Mr. Young.

STATEMENT OF HON. DON YOUNG, A U.S. REPRESENTATIVE FROM THE STATE OF ALASKA

Mr. YOUNG. Mr. Chairman, I will compliment Mr. Hughes too, being that this is a love-in today, but I will tell you we have a problem. We have to face up to it. I am adamantly opposed to this bill, as I am opposed to user's fees. We've been beating on the administration and other administrations come down with similar-type ideas. The thing we have to worry about in this committee is that Budget Committee, which I have detested from the time it was created. It comes down and calls my people up, my staff, and other

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members of the staff, and says, you're going to do this. Now, that's the problem we've got. They have cranked this into the budget, and if you can do anything to tell them that there is no way that we're going to pass implementing legislation—that's the problem this committee is faced with. Everything that's been said in this committee is true; in the first place, I don't think it's legal. I'm not a lawyer, and you are a good lawyer, but it is State waters. That's been a previous law passed; we have control. And that's constitutional law, I believe, now that all waters within the State—some saltwaters that are actually landlocked as saltwaters—how far does this go?

I don't think the Federal Government can impose this tax within the 3-mile limit. In fact, I'd be the first one, if I was the Governor, to file a lawsuit if we did pass it, and it never would be collected.

There are States, like my State, that do have a saltwater tax. Actually, it's a fishing tax; it fits all the areas, and it works. But it goes into our fishing, to rehabilitate our fisheries, to make sure our king salmon are there and our silver salmon or chum salmon and the rest of them that you've been involved in a couple of times. And we look forward to that. But the idea of the Federal Government doing this is wrong.

But this committee, as Mr. Carney said, has got to tell not just the Senate to stand up; tell them to back off on this one. This is not one—we're not going to collect $20 million to drown a herring. It just doesn't make sense to me.

So I compliment everybody that's made these presentations here today because the message has to get back to that Budget Committee. That Budget Committee is beginning to write legislation for every committee. They begin to think they are the Congress, and we have no business being the Merchant Marine and Fisheries Committee or the Interior Committee or the Public Works Committee. You know, as far as I'm concerned, we'll dissolve them, and we'll decide collectively the amount of money, under a certain figure, what's to be spent. But they start calling me up and telling me, you're going to pass Coast Guard user fees and you're going to pass fishing user fees whether you like it or not—I think that's wrong.

Thank you.

Mr. JONES. Any others?

[No response.]

Mr. JONES. If not, Mr. Hughes, thank you very much.

Mr. HUGHES. Thank you, Mr. Chairman.

Mr. JONES. Now, if you will come join the committee, perhaps?

We now will resort to the use of panels. Our next witness on panel No. 2 is William G. Gordon, Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce; accompanied by Mr. Joseph W. Kutkuhn, Associate Director for Fishery Resources, U.S. Fish and Wildlife Service.

Mr. Gordon, we recognize you for whatever time you might consume.

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STATEMENT OF WILLIAM G. GORDON, ASSISTANT ADMINISTRATOR FOR FISHERIES, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Mr. GORDON. Thank you, Mr. Chairman, and Members of Congress.

My name is William Gordon. I am the Assistant Administrator for Fisheries within the National Oceanic and Atmospheric Administration. I am here today on behalf of the administration to testify on proposals to initiate a Federal marine licensing fee. The administration is currently developing a legislative proposal for consideration by the Congress.

Let me begin by pointing out that marine fish are an extremely important and fragile natural resource. If they are properly managed and conserved, however, they can provide substantial benefits to our Nation and our citizens indefinitely.

The marine fish resources within the exclusive jurisdiction of the United States—that is, within 200 nautical miles of the United States—constitute about 15 percent of the world's supply. We are, indeed, a well-endowed Nation. Among the nations of the world, the United States ranks fourth in commercial fish production in terms of poundage, and first with respect to participation and catch by saltwater recreational anglers.

The annual production of these resources from both commercial and recreational sectors contributes billions of dollars each year to the Nation's economy. In 1985, about 230,000 U.S. commercial fishermen caught 3.9 million metric tons of fish valued at about $2.6 billion. If we consider the multiplier factor, then this is increased many times. Significant domestic and export markets are dependent upon this commercial fishing production.

In the way of angling, angling has now become the No. 2 outdoor recreational activity across the board. In 1985 about 17 million of these anglers took almost 71 million fishing trips in marine waters, caught about 425 million fish, and spent in the neighborhood of $7.5 billion. Coastal communities derive substantial economic benefits from marine recreational fishing.

Marine fish are a growing proportion of the Nation's food supply. Per capita consumption of commercial fish and shellfish in the United States increased from 13.7 pounds of edible weight in 1984 to 14.5 pounds edible weight in 1985, almost a 7-percent increase in 1 year. If recreationally caught fish and shellfish are included, the total per capita consumption in the United States is about 17 pounds edible weight. To summarize, marine fisheries provide a major source of employment, constitute an increasing source of recreation, and contribute to the economy, public health, and general welfare of the Nation.

Marine fish are the only major food resource still considered "common property," and thus available for use by all who wish to pursue them. Further, fish resources are diverse and are capable of being maintained indefinitely with proper conservation. There is a risk of destruction, however, if they are overharvested or if their habitat requirements are neglected. Because many important stocks of marine fish are migratory and normally range among several States and the exclusive economic zone, both the State and the

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Federal Governments are responsible for safeguarding the well-being of these resources.

Without argument, it is in the national interest for the States and the Federal Government to cooperate to ensure that stocks of marine fish are managed effectively and efficiently in order to ensure their ability to thrive and provide benefits to the Nation. Sufficient State and Federal funds, however, are required to achieve this goal.

I now turn to the Federal marine recreational fishing license fee proposal. As you know, the proposal is part of the President's fiscal year 1987 budget. It would generate revenues and provide a means to gather needed information on marine recreational fisheries. The proposal is for a $10 minimum fee per marine recreational angler, excluding certain age groups; to be assessed on those anglers fishing in the ocean, fee receipts would be shared equally between the coastal States and the Federal Government. We anticipate that each coastal State would issue the license and then remit $5 of the license fee to the Federal Government. The States could also assess an additional amount above the $10 fee to cover the cost of administering the program. They also could establish additional restrictions on fishing for selected species of fish within State waters. The fee would be transferable among the States so anglers would have to pay the fee only once a year. It is estimated that $40 million would be generated in fiscal 1987, to be equally shared between the States and the Federal Government. About $60 million would be collected in fiscal 1988 and $100 million in the years 1989 and beyond.

Since publication of the budget, the administration has received numerous public comments and is in the process of discussing and evaluating these comments as the legislative proposal is developed. For example, the current proposal would require a license only for recreational marine fishing. The comments that we have received suggest that commercial fishermen should also be included. Because there are far more recreational than commercial fishermen, the imposition of a fee on commercial fishermen would not significantly enhance the revenue generated by the bill, but it would treat all fishermen equally.

Requiring a fishing license for any person fishing in marine waters without regard to his status as a recreational or commercial fisherman could also simplify the bill, and we are considering this. At a later date, perhaps fee levels could be targeted more precisely for the commercial fishermen.

The bill should encourage the States to adopt complementary marine fishing license programs and assist in the administration of the program. We are considering the best mechanism to accomplish this, given the fact that some States already have established saltwater licensing programs. We expect that the States will be generally supportive of licensing arrangements as long as they do not jeopardize existing State revenues.

The idea of licensing marine recreational fishermen is not new. The Pacific coast States all require some form of marine recreational fishing license. A few gulf coast States require a license, and efforts are ongoing to initiate a marine fishing license in several east coast States, including Florida and Massachusetts. Bills to

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provide for State licensing of marine recreational fishermen were introduced in both sessions of the 98th Congress. While the concept is not new, what is new is that the Federal Government is seeking to collect fees—a user fee, if you will—for services and activities provided by the Federal Government which benefit the marine recreational angler and currently are assessed to all taxpayers nationwide.

In fiscal 1986, the National Marine Fisheries Service budget included a significant number of programs which benefited marine recreational fisheries. These programs are largely supported by all taxpayers. Our position and rationale for the licensing proposal is that those who benefit from the use of our marine fish resources should pay for programs to manage and conserve these resources. The proposal is consistent with other user fee proposals that would ask identifiable recipients who receive special benefits from Federal services above those that accrue to the general public, to pay more of the costs. We are committed to seeking legislation to provide for the collection of user fees for marine fishing, and believe, given the interjurisdictional nature of most marine fisheries, that an appropriate State/Federal partnership would be one whereby the States administer the issuance of licenses, and where the fees are shared equally between the States and the Federal Government.

The proposed marine licensing program is needed to provide funds and data for effective conservation and management. It is clear--and I think that the questions in your May 29th letter points to this—that there are divergent views, strong feelings, and no consensus on the approach that we should take.

Once again, I commend you for convening this hearing to air the differences. The administration is aware of many of these differences and is considering how best to address them in a legislative proposal.

I will turn to the questions in your letter of invitation.

Should licensing apply only to recreational anglers, or should commercial fishermen also be included? We have considered this question conceptually and have not formed a conclusion. The immediate focus on recreational fishermen stems from two points. For the most part, marine recreational anglers do not pay a license fee, whereas in almost all States, commercial vessels are licensed. And we need to improve the data base and ability to sample and analyze the marine recreational fishing activity.

Should a similar licensing requirement be established for freshwater sport fisheries managed or supported by the Federal Government? On this, Mr. Chairman, I defer to my colleague from the Department of the Interior.

Should the license apply to all marine waters or just to the Exclusive Economic Zone? We believe the license should apply to all marine waters for two important reasons. First, it would greatly facilitate administration and enforcement of a license. Second, many important marine fisheries which benefit from Federal programs range widely and migrate between the State waters and the Exclusive Economic Zone. We see no way to make a meaningful division between the two jurisdictions.

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Should the States or the Federal Government administer the program? We believe that the States can and should administer the program, largely for cost reasons. All of the coastal States currently maintain freshwater licensing systems, whereas there is no existing Federal fishing license system. We think it makes sense to take advantage of the current State systems providing they are able to recoup the incremental costs of the added burden, which the administration's proposal includes. This approach has the added advantage of a "one stop shop" for the angler, many of whom fish both marine and freshwater.

How will the license requirement be administered and enforced, and by whom? As we have stated, the most cost-effective way is for the States to administer the program. The States collect the fee and send $5 to the Federal Government. Enforcement would be a joint effort, perhaps with cross-deputization, with the States being primarily responsible in State waters and Federal agents focusing on the Exclusive Economic Zone. Marine anglers would be in violation if they are found fishing without a license.

Should a license holder be allowed to fish in the marine waters adjacent to any State? Our position is that the Federal fee would be valid in all marine waters outside of State jurisdiction. The angler would only have to pay once per year. This would not affect any other State marine fishing licenses that may be required. Each coastal State could still issue its own license in addition to the Federal license to address specific fisheries.

Are there other systems that could be used to offset the Federal cost of fisheries conservation and management? One could think of many alternatives, but practicality and acceptability are major considerations in proposing to use them. Poundage fees or ad valorem taxes are used by some west coast States—in fact, some east coast States, as well—to generate revenues. Limited entry permits generate significant revenue in some States. Auction of shares tied to specific catch allocations have been discussed. All of these approaches are very controversial, and each presents special problems in terms of their feasibility in Federal application that require further investigation and analysis.

Should receipts be returned to a specific agency or account rather than the General Fund of the U.S. Treasury? We believe that the funds should be deposited directly into the General Fund. This is the existing practice and is consistent with current law and the normal budget process whereby program priorities are evaluated objectively and funded through the budget and appropriations processes that take place in the Congress. This affords the administration and the Congress the maximum scope to determine priorities for the use of limited budgetary resources.

Is there a more equitable way to implement the proposal? I've already indicated why we focused initially on marine recreational fishing. However, we are aware that there are a variety of views on this issue, and we are hopeful that this hearing and subsequent deliberations will help in the administration's development of legislation for consideration by the Congress.

Mr. Chairman, this concludes my testimony and I'll be more than happy to respond questions from you or members of the committee.

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Mr. JONES. Thank you, Mr. Gordon.

The two bells mean a vote on the House floor, and so we will suspend in recess for 10 minutes, at which time we will return.

[Recess.]

Mr. JONES. Our next witness is Mr. Joseph W. Kutkuhn, Associate Director for Fishery Resources, U.S. Fish and Wildlife Service.

Mr. Kutkuhn, you are recognized.

STATEMENT OF JOSEPH H. KUTKUHN, ASSOCIATE DIRECTOR FOR FISHERY RESOURCES, U.S. FISH AND WILDLIFE SERVICE

Mr. KUTKUHN. Mr. Chairman, distinguished subcommittee members, good morning and thank you for the opportunity to be here this morning. I am Joseph Kutkuhn, Associate Director for Fishery Resources of the U.S. Fish and Wildlife Service in the Department of the Interior. The Department very much appreciates your invitation to testify on the administration's proposal to establish a Federal fee for marine recreational fishing. Since the Department of Commerce is the Federal entity with lead responsibility for marine recreational fishing, we defer to its views on the proposal and on most of the issues identified by the subcommittee in its invitation to this hearing.

We would, however, like to address one question posed by the subcommittee in that invitation; namely, whether a similar licensing system ought to be considered for freshwater sport fishing managed or supported by the Federal Government.

Let me say that such a system is not under consideration and will not be a part of the administration's proposal. The States, not the Federal Government, have primary responsibility for managing freshwater fishery resources. Moreover, as part of their management process, all of them—excluding the District of Columbia—require licenses for freshwater angling. License revenues are often the principal means by which States—and, increasingly, Indian tribes—defray the cost of managing the use of such resources.

Through the Fish and Wildlife Service, the Federal Government fulfills the freshwater portion of the fishery stewardship responsibility it shares with States and tribes, mainly by mitigating fish losses due to Federal water projects and contributing to the restoration of depleted, multijurisdictional fish stocks. Other areas of Federal responsibility as discharged by the Service are managing freshwater fishery resources on Federal—especially Service—lands; restoring the viability of threatened or endangered fishes; and exercising the leadership it shares with other Federal institutions in science-based management of fishery resources generally.

Another instance of Federal involvement in recreational fishery resource management deserves mention. The Service administers the Sport Fish Restoration Program; and, as you know, this program is financed by receipts from a Federal excise tax on certain fishing gear, import duties on recreational boats, and taxes on motorboat fuel. These revenues are applied in the form of grants to States for sport fish restoration purposes.

At present, there is little Federal financial support for managing freshwater sport fishery resources that is not either properly a Federal expense or derived from special Federal taxes on sport fisher-

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men. We also believe it appropriate that the Federal Government recover from beneficiaries of Federal water projects, not from the freshwater angler, the cost of mitigating or compensating for adverse project effects on the Nation's valuable fishery resources. A Federal freshwater fishing license is therefore not under consideration.

Mr. Chairman, this concludes my remarks. I would be pleased to try to answer any technical questions you may have.

Mr. JONES. Thank you, Mr. Kutkuhn. I have a few questions, if I may.

Mr. Gordon, it has been 6 months since the President's fiscal year 1987 budget submission, and the administration has yet to transmit draft legislation to the Congress to implement the President's sport fishing proposal. Why is it taking so long to transmit the draft legislation, and when can we expect to receive it?

Mr. GORDON. Well, with all due apologies, Mr. Chairman, what might have appeared to be a very simple issue is really an extremely complex issue. We've held discussions, both within Government and with our various constituency representatives. We've considered a fairly broad array of options for this approach, and are still taking comments under consideration. We would expect to submit a legislative proposal within the current congressional session.

Mr. JONES. Thank you.

Mr. Gordon, on page 6 of your testimony you state that "A marine licensing proposal is needed to provide funds and data for effective conservation and management." Yet, at the same time, you tell us that the revenues generated should go into the general fund of the U.S. Treasury. Would you care to explain this irony?

Mr. GORDON. The belief being, Mr. Chairman, that you folks in the Congress would have the opportunity to see the revenue collected by this and then appropriate it to the agency that is deemed appropriate within your overall priorities.

In my discussions with the constituencies, both the commercial and the recreational, many of them said, we may not like a license fee or registration fee, but we will pay one grudgingly if there is assurance that the funds will be dedicated. So from the public standpoint, I think there's an overwhelming—almost an adamant—demand that if they are to pay, then it should be a dedicated fund.

So I think this is one of the very contentious areas that will have to be sorted out if there is to be a marine license of any sort.

Mr. JONES. What would happen if a State refused to implement the President's proposal, assuming that it should be enacted?

Mr. GORDON. If a State refused to participate, then we would have to create a Federal system to carry it out. In talking to some of the State administrators, they have not said outright that they would not participate but they are very concerned that any Federal license system not undermine their efforts. Discussions, of course, have not been finalized with them, but I believe that the majority of the States would participate if they see that these safeguards are built into the system.

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Mr. JONES. You further stated in your testimony that "We expect the States to be generally supportive of our licensing arrangements as long as they do not jeopardize States' rights."

Mr. GORDON. Yes, sir.

Mr. JONES. All right, sir. Will States that already have a licensing program gain or lose revenue as a result of implementing the President's proposal?

Mr. GORDON. Several States have, over the past few months to several years, raised their license fees internally, some for freshwater licenses—and in those instances where there is a marine license for marine licenses. Initially, they noted some drop in participants, but feel that if the rates of increase are not great, there will be a return to recreational fishing. California recently went through this experience, and they did note a decline in the number of licenses sold.

Mr. JONES. Has your agency conducted any study or research as to the economic impact that this proposal would have?

Mr. GORDON. No, sir, we have not.

Mr. JONES. You have not.

Well, Mr. Gordon, I thank you very much for your candid testimony and your presence here this morning.

Mr. Saxton, do you have any questions?

Mr. SAXTON. Just one question, and maybe a followup.

As the representative of the administration who proposed this new fee, why did that idea come along? I mean, what is the purpose of imposing this new fee?

Mr. GORDON. Well, as you know, Congressman, the administration over the last few years has suggested a reduction in our programs in keeping with the general attempts to balance our budget. I think there is a general realization that you folks on the Hill, through the constituents, see continuing support for these programs at some level. I think there is a general feeling that we must explore avenues so that those that benefit by those programs that we've administered and run over the years would support them to some measure rather than have it a general burden on the taxpayer.

Mr. SAXTON. So it's to help reduce the deficit?

Mr. GORDON. Well, I think it would obviously reduce the burden on the taxpayers if they were not earmarked, and I suppose some portion of them might be attributed to reductions in the deficit.

Mr. SAXTON. Well, we're going to face Gramm-Rudman and I'm interested in that subject, as well, and I'm sure that we're all looking to free up money in any responsible, reasonable way that we can.

When I look at the problem we face with Gramm-Rudman or the problem that we face with our deficit and compare it to the help that this program, if enacted, might provide in terms of reducing our deficit, compare that with the potential impact that it might have on coastal States such as that of the chairman and mine in New Jersey, and look at how much this helps in contrast to how much it might hurt us, I begin to seriously question whether it's a good idea to do. Nobody knows at this point how much we're going to face in the way of budget reductions because of Gramm-Rudman; nobody knows whether the courts are going to permit the sequester

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to go forward; nobody knows what the economy is going to be like at that point. But just assume for a minute the help that this program would provide or could provide—let's say that, come August, we have to reduce our expenditures by $20 billion. And according to what I see from this proposal, this year this program should raise—next year, for 1987, if enacted—it would raise a projected $20 million?

Mr. GORDON. That was what was projected, yes, sir.

Mr. SAXTON. Now, that, in comparison to the job that we have to do in reducing expenditures, in terms of a percentage the way I figure it out, if we raise $20 million by the imposition of this fee and we had to reduce expenditures or come up with new funds to the tune of $20 billion, the way I figure this out, this program would come to about one-tenth of 1 percent.

Now, that is a pretty serious tradeoff, for me. The policies of our country—and I guess this is a long question, but the policies of our country over the years in the agricultural belt are said today to have caused economic problems there; perhaps some policies of our country relative to other segments of the economy have caused problems there. And we are here looking at one-tenth of 1 percent of a possible $20 billion budget problem—and it's probably going to be more than that—but based on that example, it's one-tenth of 1 percent that you're talking about solving, at the cost of creating havoc in many coastal States. I think it's a lousy tradeoff.

Mr. GORDON. I guess I would respond by saying that I think a lot depends on how one approaches a marine license. The point that you and the preceding Members of Congress made on the tourist industry—that is, that person that comes with his family to many communities such as yours along the Jersey coast—is probably a correct one. If one approaches the license fee from the standpoint of licensing the vessel at a nominal cost, the problem of the impact on the tourist or the occasional fisherman would be zero.

I suspect that some of the head boat people such as some in your State would object to any additional vessel license. However, some see it as a way of better enumerating what that universe of operators is and would be willing to pay some price for a license in which all the passengers would go without additional fees. I don't think that approach would be as disruptive, then, to the coastal communities as has been indicated here.

Mr. SAXTON. Can you tell us what the basis of your projection of $20 million income to the Federal Government was and what expenses might have been included? Is that a gross figure? Did you factor in anything for enforcement?

Mr. GORDON. To start with, there was an assumption that there was about 17 million marine recreational anglers. If you exclude people under 16 and those over 65, you have about 12 million, estimated. Of those 12 million, if you apply it only to the economic zone—that is, outside of State waters—you'd be looking at somewhere between 2 million and 3 million anglers. It was based in part on that.

The other side of it was that there was no good estimate of the number of anglers—now, these would be people who would perhaps have their own boats and would be going into the economic zone

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with multiple passengers. It did not take into consideration the full complement, perhaps, of those people who go on head boats.

So this is a very loose estimate——

Mr. SAXTON. Kind of an unscientific guess?

Mr. GORDON. That's correct, because we simply do not have a good handle on those people that go recreational fishing. And this is another opportunity, if applied correctly, to adequately identify those people that do go marine fishing. These numbers could be of extreme value in making allocations down the road in the fisheries management process.

Mr. SAXTON. One final question, Mr. Chairman.

Have you any plan as to how enforcement might be carried out? I mean, obviously, in my State the marine police are already overworked and they ask for more manpower and more money to run their operation, and more boats, constantly. The Coast Guard has been proposed for cut backs from time to time. If we are going to add this additional responsibility to someone somewhere to do enforcement, will it not be necessary for us to make additional expenditures from this fee or potentially from the money that would be taken in in order to either put on more enforcement officers of one kind or another? Or, would it be passed on to the States as their responsibility to enforce? And how much would it cost them? How would that offset against any benefit that we might get from the tax point of view of the program?

Mr. GORDON. We ourselves, if it were appropriated, would use some portion of our budget to expand our enforcement capability. Likewise, we would expect that the State would use some portion of their additional revenue to enhance their enforcement capabilities.

What we have done and currently are doing is contract with the States to augment their enforcement capability to assist the Federal Government in carrying out the present requirements under fishery management plans. This includes a substantial dockside enforcement effort on the part of the States, and we do not think there would be a quantum jump in enforcement needs to assure that there is reasonable compliance with licensing provisions.

Mr. SAXTON. Thank you, Mr. Chairman.

Mr. JONES. All right.

Mr. Oberstar.

Mr. OBERSTAR. No questions, Mr. Chairman.

Mr. JONES. Mr. Studds.

Mr. STUDDS. Thank you, Mr. Chairman.

Gentlemen, here you go again. I'm sorry—well, I'm not sorry. I was about to say that I am sorry I missed your testimony. I'm not sorry at all. [Laughter.]

I was on the floor of the House, but I have gone through it; and, as is so often the case, I am appalled but not surprised. I don't know why—you're such nice people; they keep sending you up here with these scatterbrained ideas. I assume you've detected a singular lack of enthusiasm for the proposal already. Have you detected any enthusiasm for it anywhere but OMB?

Mr. GORDON. Not much, no. [Laughter.]

Mr. STUDDS. I didn't——

Mr. SAXTON. Would the gentleman yield for one question?

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Mr. STUDDS. Certainly.
Mr. SAXTON. Have you found a sponsor for the bill?
Mr. GORDON. Pardon?
Mr. SAXTON. Have you found a sponsor for the bill?
Mr. STUDDS. They haven't written it yet, have they?
Mr. GORDON. Well, if you——
Mr. STUDDS. I don't even think you can count on Silvio Conte for this one. He's a fisherman.

I have some towns in my district that have now celebrated their 350th anniversary, so for over 3½ centuries they have been fishing in those waters. I don't think I could find the words to describe to you the reception which this proposal will get up there.

I assume, from listening to what you said, that your logic—if I may use that word—is that insofar as recreational fishermen are beneficiaries of the existence of recreational fish, that they, that privileged subgroup of taxpayers, ought to pay at least this share of the burden of enhancing those fisheries. Is it something like that? The beneficiaries of the program ought to help pay for it?

Mr. GORDON. That's correct, sir.

Mr. STUDDS. Can I assume that you'll be up here—not you, but the administration, the Department of Agriculture, tomorrow—suggesting that America's farmers and America's farmers alone pay the taxes that support our agricultural support programs?

Mr. GORDON. It could be a logical extension of the philosophy, yes.

Mr. STUDDS. Wouldn't it?
Mr. GORDON. Yes.

Mr. STUDDS. They are, after all, the principal beneficiaries of the billions—not $20 million, but the tens of billions of dollars—of taxpayers' money which goes to sustain land-based agriculture as a matter of public policy, aren't they?

Mr. GORDON. Yes, sir.

Mr. STUDDS. Now, I'm sure that you, if no one else in the administration—but at least you will agree with us that fish is food, and there is such a thing as marine-based agriculture.

Mr. GORDON. Most definitely.

Mr. STUDDS. And that it is in the national interest that it be protected and conserved and enhanced. Is that a safe statement?

Mr. GORDON. Yes, sir.
Mr. STUDDS. In the national interest?
Mr. GORDON. Yes, sir.

Mr. STUDDS. Not just in the interest of some 16½ year old kid who may sit down on a dock and throw a worm on a hook? Furthermore, he is likely to make minimal impact on the biomass——

Mr. GORDON. That's correct.

Mr. STUDDS [continuing]. In so doing.

Now, do I understand that in your proposal anyone who is as much as 1 day over 16, but has not yet had the extraordinary good fortune of reaching 65, who puts a worm on a hook and dangles his or her feet over a dock and drops said wormed hook into the water would be liable for a $10 license fee?

Mr. GORDON. If one looks at all marine anglers, it would encompass that individual, yes, sir. If it looks only for that in the economic zone——

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Mr. STUDDS. Even if he has never seen a Federal water in his life? If he's sitting on a dock, on shore?

Mr. GORDON. Yes, that's right.

Mr. STUDDS. I see.

Well, as you probably know, we just discovered 2 days ago in the Coast Guard Subcommittee here that sport fishermen were deprived of over $30 million that should have been placed by this administration into the sportfish restoration account. This occurred because the administration was 4 years late in determining how much should have been placed into that account, You, the administration, owe the sport fishermen and the people of this country tens of millions of dollars because of your own inability to do something relatively simple in less than 4 years. Instead of coming up here and saying, we owe you the money, you've decided instead to impose a new tax on sport fishermen, as I understand it.

Now, I know you want to call this a fee and not a tax, and this isn't your fault; some of these bizarre types to whom you're responsible have nervous indigestion at the word "tax." Webster's defines a tax as "a charge of money imposed by authority upon persons or property for public purposes, or a sum levied on members of organizations in order to defray expenses." That describes the plan of yours as I understand it; tax people who are already paying—what are they paying? Income taxes. They're paying sales taxes on almost every piece of fishing-related equipment they buy. They're paying an excise tax of 10 percent on most sportfishing tackle, and they're paying a tax of 9 cents per gallon on the fuel that they use in a motorboat. Now, that doesn't strike this administration as quite enough, and you want to tax those same people and offer them no new services whatsoever; and in fact, as I understand the administration's program, you'd like to offer them diminished services in return for an increased tax imposed upon them. And not only that, but you propose a Federal tax for activities that may very well occur solely in State waters. This, it seems to me, impinges and raises serious questions about the rights of coastal States, and you also ask the States to serve as Federal tax collectors, which is not something they might be extremely enthusiastic about.

Your testimony, I think, says—oh, excuse me, in the budget submission, the administration says, "Recently, it has been recognized that marine fisheries are an exhaustible resource and need to be conserved and managed to prevent overfishing." That's the administration's budget submission for this year.

I am tempted to ask you how recently the administration realized this, but let me ask you instead, how much has the administration requested that your agency receive in fiscal 1987 for these conservation and management purposes?

Mr. GORDON. About $96 million, sir.

Mr. STUDDS. And how does that compare with fiscal 1986?

Mr. GORDON. We currently are at about $162 million.

Mr. STUDDS. From $162 million to $96 million? Have you calculated what percentage cut that is in this important thing you just realized recently?

Mr. GORDON. Yes, nearly 40 percent.

Mr. STUDDS. Nearly 40 percent. Well, that's sort of breathtaking.

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Can you tell me what percentage of the sportfishing marine catch comes from Federal as opposed to State waters?

Mr. GORDON. Approximately, if you count the tuna, approximately 20 percent would come from the Federal zone.

Mr. STUDDS. Well. Have you been out there counting these kids and everybody else? I mean, how the hell do you know how many people, with all due respect, have chosen to drop that proverbial line with the worm on it once? I mean, we don't have statistics for that, do we?

Mr. GORDON. We have for years now conducted an annual survey of recreational anglers based on a count recall, where they fished, what they caught, and based on that statistical analysis, that's approximately what it comes out at.

Mr. STUDDS. OK. So we're going to pose a Federal tax on a fishery which, by your own estimates, is conducted 80 percent in State waters?

Mr. GORDON. Yes, sir.

Mr. STUDDS. Who is going to enforce this if the State isn't particularly enthusiastic about it?

Mr. GORDON. Then that task would fall to the Federal Government, sir.

Mr. STUDDS. You're going to send your Navy out there to—what are you going to do? Well, we'll leave that to Mr. Hughes, the posse comitatus aspects of this.

I really don't know what to say. It's just quite remarkable. I hope that we can still guarantee you safe passage to coastal areas of New England, but every time you come up here and make a proposal like this you make that less likely. Now, you've been up there and you know that it's a nice place——

Mr. GORDON. I was there 2 weeks ago and had an interesting reception in New Bedford.

Mr. STUDDS. Did you raise this question?

Mr. GORDON. Oh, yes, sir. [Laughter.]

Mr. STUDDS. Well, I'm sure it was.

I'm going to yield back the balance of my time. If I were in a slightly different mood, which my colleagues will be grateful that I'm not, I would suggest that there were alternative ways by which you could make substantially greater impacts upon the deficit. I would remind you, if I were in a different mood, that the deficit is precisely that contained in the President's budget. We've had six consecutive budget requests from the President with deficits of an unprecedented order of magnitude; Congress didn't dream those up. The President refuses to pay for what he wants to do, and I bet you every member of this committee has a few ideas about where we could save one hell of a lot more than $20 million, but that's not your department. If it were your department, you wouldn't be having a 46 percent decrease in your basic funding.

I'm sorry; I'm not angry at you, you know. When you go back to that place with no windows and no doors that OMB works in, would you tell them what we would have said had we not been constrained by civility? [Laughter.]

Mr. GORDON. I certainly will, sir.

Mr. STUDDS. I can read your mind quite well.

Thank you, Mr. Chairman.

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Mr. JONES. Mr. Thomas.

Mr. THOMAS. Thank you, Mr. Chairman.

Let me thank my good friend and colleague from New Jersey for yielding because of my schedule, and I would like to just add a few comments here.

I certainly want to concur with the assessment, I think, that you see is overwhelming in that this certainly is not a user fee but has all the marks of a tax, unquestionably, and I too agree that it's rather inconsistent to talk about sending any of these funds back to the General Treasury to support us in our fisheries efforts when, of course, there's been a tremendous reduction advocated already by the very people who are saying that they would, on the other hand, turn around and reinforce or support it.

But my concern goes a little bit further here. Again, I have all of the State of Georgia's coast, which runs from Florida to South Carolina, in my district. I know it well; it is a very productive State as far as fisheries are concerned. And, of course, our marsh estuaries there influence sealife throughout the entire Atlantic Ocean, unquestionably. They're at the bed of the food chain.

And what I see here, in my opinion, is a shifting. If we embarked on something like this, it would of course put our State resources on the line for the enforcement mechanisms, which they're not capable of handling at this time. I would see that most of the funds generated—and it sounds good to a State; particularly, my State loves the idea of getting Federal money. We don't like the strings that are attached; we like to call ourselves conservative, but boy, we love the Federal pie down there.

But at any rate, in opening that up and enticing the States, at the same time my opinion is that a tremendous portion of whatever was generated would be used to gear up for enforcement itself, and so I don't see any benefits, really, to be garnered.

But the thrust of this to me, and the danger of something like it is, is to begin to tear down the Federal Government's involvement in what is truly a Federal issue, and begin to direct States back to try to enforce the use of our oceans and seas. And, of course, this cannot be done individually at a State level without an impact that must be considered as to how it affects the entire productivity of the seas and the oceans. And I don't think there's any doubt, as we begin to get States more involved and the Federal Government less involved—that's the trend we're setting. And when we talk about a license to be enforced and garnered by the State and to be—and of course, each State is then going to say, well, I'm directly involved here, and we are going to encourage the use of the sea here in order to gain our fair share. I just think we lose sight of, really, what managing the oceans and sealife in general that of course moves up and down with the currents of the oceans and the seasons, that I think we're beginning to really set a trend that leads us to disengage the Federal involvement in what must be a Federal responsibility. And that is my real deep concern about this. I have the same concerns for the person who visits the beach once a year and wants to go out and crab or fish and has to pay a $10 license, and certainly, I'm sensitive to that; but again, I just want us to think—I hope we will focus on, really, the trend we are setting here, and in my opinion we are talking about abridging or abrogat-

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ing our responsibility in the truest sense when we embark on something like this.

I did not have a question, but thank you for letting me make that statement, Mr. Chairman.

Mr. JONES. The Chair recognizes Mr. Carney.

Mr. CARNEY. Thank you, Mr. Chairman.

Bill, I have to make that same observation as my colleague from Massachusetts has made. Certainly, for the 7½ years that I've served on this committee, you've come up here as a professional, and most times with a great deal of enthusiasm for your mission of the day. And I seem to note a lack of enthusiasm from you on this particular issue, and I'd guess that you don't have much enthusiasm and I'd understand why, being someone who is a professional, who spent years working with the people in this industry. I don't think you would even agree that this would be a good approach.

This hearing has my mind constantly focusing on two things. One is a pillow, and the other is ICCAT; ICCAT because when the question was asked, would you go inside the 3 miles with the licensing, you reminded us that fish are migratory and that the benefits of fishing within the economic zones would be shared by those in the State zones, so it would make sense to tax the entire zone, both the State and the economic zone. I question why you stopped at the economic zone. Why don't we go out 1,800 miles and tax the world? Because indeed, it was you who convinced me to support ICCAT because of the migratory nature of tunafish. You could apply the same logic to this proposal.

I'm sure you recognize my sarcasm. It, to me, seems to be ludicrous. But my other thought was the pillow. You're probably wondering why. Well, I'm trying to find the Federal law that would be compatible or equal in consideration as this tax on saltwater fishing, and that Federal law that comes to mind is the little tag on the pillows that says, "Warning: Removal of this tag will be subject to penalty of Federal law." I think this bill fits in this same category. One, you can't enforce the removal of the tag. I can remember—I pulled the tag off my pillow as a 12-year-old and I was frightened to death for about 2 years, wondering whether a Federal marshal was going to arrest me. And I think maybe 16-year-olds might have the same problem when they sneak a line into the ocean. Two, the pillow tag had no significance to anything; I don't think it's ever been enforced. And this is the type of thing we're really up against.

My suggestion to you, Bill, is to go back downtown—an area where I'm very comfortable; in fact, I'm going to suggest very strongly to those downtown that they don't come up here with the bill. I mean, we don't have a bill before us, and you can see that there's a unanimous consensus here that this is not the right way to go about this. If a bill came up here, I think it would be a total embarrassment to the administration, quite frankly. You couldn't find any support. It's not the thing to do.

And with that, I might say that I'm shocked by my colleagues who have put it into the budget, and I'm hoping that we can rectify that; in fact, the chairman and I are going to make an effort to do that right now.

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We shouldn't allow the administration to get itself as embarrassed as it would be if it came up here with a bill, and I would hope that you would take that into consideration when you go back downtown. Let them know our sentiments——

Mr. GORDON. If I can get back without being shot.

Mr. CARNEY. Pardon me?

Mr. GORDON. If the messengers can get back without being shot. [Laughter.]

Mr. CARNEY. Well, I think you know and I'm sure that Mr. Studds feels the same way I do—that we're certainly not going to kill the messenger here. I mean, you've always come up here working with this committee more than anything else.

Mr. GORDON. Thank you.

Mr. CARNEY. I'm sure that's the way you feel about this, and you just have a terrible burden to carry with you today. But I think the message is loud and clear.

I have also received a message here that says there is a Marshal outside the door with a subpoena for my arrest. They finally caught up with me for ripping the tag off the pillow. [Laughter.]

And I yield back the balance of my time.

Mr. JONES. Mr. Hughes.

Mr. HUGHES. Thank you very much, Mr. Chairman, and I want to echo the sentiments of my colleagues in hoping that you won't take any of these comments personally because we have a great deal of respect for you, even when you are forced to come up here with these hairbrained ideas. And that's how I consider this particular initiative.

I wonder if you could just tell us what kind of input you had as an agency before this initiative was promulgated by OMB.

Mr. GORDON. To the best of my knowledge, the only request was for information as to the number of participants that might be engaged in the activity—the number of vessels, the number of fishermen, that sort of thing.

Mr. HUGHES. That is just to try to determine what kind of revenues it would generate?

Mr. GORDON. I suspect that.

Mr. HUGHES. Was there effort to determine what impact it would have on this sportfishing industry?

Mr. GORDON. No, sir.

Mr. HUGHES. Any effort to work with you in trying to determine whether or not it was feasible administratively to——

Mr. GORDON. Well, since the budget proposal went forward we've had quite a few discussions with our colleagues and other Government agencies and within OMB.

Mr. HUGHES. This is after the proposal?

Mr. GORDON. Yes, sir.

Mr. HUGHES. After the fact. How about before the initiative was included in the budget?

Mr. GORDON. The information gathering, to the best of my knowledge.

Mr. HUGHES. Who would actually enforce it at the Federal level? What agency?

Mr. GORDON. I suspect it would fall on my shoulders and my agency.

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Mr. HUGHES. Not Coast Guard?

Mr. GORDON. Since the principal thrust would probably be shoreside checking of licenses and that sort of thing, that would be done shoreside by ourselves and in cooperation with the States, either through contracts or cooperative agreements. At sea enforcement is just too costly, sir, to tell you the truth.

Mr. HUGHES. Let me ask you a question. Your budget is being cut 46 percent; that's a draconian cut. How in the world are you ever going to enforce anything like this at the Federal level?

Mr. GORDON. Within the cut there's no reduction of enforcement, per se. But, of course, inflationary costs have eroded away that base somewhat.

Mr. HUGHES. How much would you need to enforce this?

Mr. GORDON. I have no good estimate.

Mr. HUGHES. Was there any effort to try to determine what the cost would be? I can't imagine the States being enamored with the idea of sending the Federal Government $5 out of the $10 tax, having the State government actually police the enforcement when in fact the resource is located primarily within State jurisdiction. I can't imagine them be enamored with the idea of enforcing it. Can you imagine any State being happy about being saddled with the enforcement?

Mr. GORDON. When it comes to recreational fishing, I don't believe anyone is enamored with that because of the number of people involved.

Mr. HUGHES. What are you going to do if the State says no, we refuse to participate?

Mr. GORDON. The Federal Government would enforce it.

Mr. HUGHES. Can you imagine what the cost would be if you were required to enforce it on a busy weekend, such as this weekend, in just my district alone, which comprises about 80 miles of coastline? What would be required to effectively enforce this particular tax on the bridges, surf, in the back bays, in the streams, on the piers and docks, of just my district?

Mr. GORDON. Well, just knowing your district as I do, I could put the entire National Marine Fisheries Service enforcement cadre there and we might come close to talking with 1 out of 10.

Mr. HUGHES. And I think you're optimistic. I mean, we're talking about literally tens of thousands of people.

Mr. GORDON. That's correct.

Mr. HUGHES. I don't know how in the world you could ever police that type of a tax. Has there been any effort to determine what the cost would be compared to what we'd derive by way of revenues?

Mr. GORDON. Well, I think that as we were debating this, we looked at the things the States do in fresh water, and almost universally there is a freshwater license. And in most States, there are about three enforcement agents—conservation officer is a better term—per county; I'm thinking of my home State of Pennsylvania. And they estimate that they see less than 1 percent of the fishermen on an annual basis, but they operate on a basis that fishermen are willing to contribute to a fund which will benefit them, and so they stress that these are earmarked funds and are going to benefit all fishermen alike, and therefore they all join the club by buying a fishing license so that their sport can be enhanced. So it's probably

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about 90 percent public education, and less than 10 percent is really enforcement.

Mr. HUGHES. Do you realize how many years it took to educate the residents of those States that have a freshwater fishing license to get a license?

Mr. GORDON. About half my lifetime.

Mr. HUGHES. It's a mind-boggling endeavor.

Mr. GORDON. It certainly is.

Mr. HUGHES. Are you satisfied that this has been thought through, that it's really going to generate more revenues than it's going to cost us in enforcement?

Mr. GORDON. Well, I think that's one of the reasons that you don't have a piece of legislation, that that thought process is still going on as to what would be the benefits and what are the costs?

Mr. HUGHES. Well, the fact of the matter is that it was just an effort to generate some additional revenues, reduce the budget deficit. Isn't that the basis for it? It has no relation in fact to conservation of the resource.

Mr. GORDON. No, it doesn't, sir.

Mr. HUGHES. Because they really didn't check to get any basic information on what is needed. I would suspect that the people at OMB that dreamed up this scatterbrained idea—and it's not their idea; it's been floating around for years—probably have no idea how much it costs at this point for us to protect our resource. And one of the statements that you read from your statement—which was cleared, I am sure, at OMB—was that we have these resources that need to be protected and preserved. I suspect that the folks that cleared that have no idea of what it costs to maintain those resources. Is that a fair assumption?

Mr. GORDON. That's a fair assumption, sir.

Mr. HUGHES. Because they wouldn't be cutting it by 46 percent, your budget, if they were concerned about the resource, would they?

Mr. GORDON. Well, I think that perhaps one could look at it that way, with the extended jurisdiction, that the real villain has gone away. But I think that the real problems are just beginning.

Mr. HUGHES. Well, thank you. I understand that in at least one of the original drafts, there was some effort to force this upon the States by denying them D–J funds. Is there any substance to that?

Mr. GORDON. There was some consideration of that, yes, sir.

Mr. HUGHES. Has that been ruled out?

Mr. GORDON. Yes, sir.

Mr. HUGHES. As I understand it, you don't have a sponsor for the bill yet.

Mr. GORDON. That's correct.

Mr. HUGHES. Thank you, Mr. Chairman.

Mr. JONES of North Carolina. Thank you.

Mr. Oberstar.

Mr. OBERSTAR. Well, Mr. Gordon, Mr. Kutkuhn, you've about heard all I imagine you want to hear from the coastal State folks. How about hearing something from the Great Lakes? There is no reference in the proposals of the administration—I guess there isn't any proposal—and it hasn't been thought through any farther than collecting money to reduce the deficit. But any proposition of

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this nature that is going to deal with coastal waters obviously must at some point consider the fourth seacoast, which is the Great Lakes. There already are fees assessed by Canada on U.S. fishermen who move from U.S. bases into Canadian waters to fish. They don't assess a similar fee on Canadians who move from Canadian bases into the same waters for fishing, and that was a blatant scheme to force U.S. fishermen to come into Canada, use Canadian resorts and outfitters and enrich the Canadian side in order to provide more economic sustenance for their people. Canada was fairly up front about that proposition. And they also used the cover, at least, of the necessity on their side of these fees to be used for improving the fishery resource. You don't even have the facade of that proposition in this collection idea.

Have you considered—do you have as part of the plans a scheme to include the Great Lakes in this fee proposal?

Mr. GORDON. No, sir.

Mr. OBERSTAR. Well, it would be as wretched an idea for the Great Lakes as it is for the other coastal ports.

I note in your testimony a proposal on enforcement as a "joint effort, perhaps with cross-deputization." Have any of your agencies tried cross-deputization in the past?

Mr. KUTKUHN. Yes, sir. We have.

Mr. OBERSTAR. With what States and with what results?

Mr. KUTKUHN. States and Interior folks representing tribal interests, for example.

Mr. OBERSTAR. Tribal interests?

Mr. KUTKUHN. Yes, in the context of the tribal fishing settlement in the upper part of the Great Lakes. There has been some cross-deputization between both tribal enforcement people, Bureau enforcement people, and State enforcement people.

Mr. GORDON. We've had cross-deputization with a number of the coastal States over the years, and it's worked quite well.

Mr. OBERSTAR. It hasn't worked between the United States and Canada. There have been efforts between the bordering Provinces and the State of Minnesota to work out cross-deputization and it hasn't worked very well, nor have efforts at cross-deputization between Federal and State Department of Natural Resources people in Minnesota. It's been notably unsuccessful, and they have not revisited that effort in the past. I'm interested that you have had a history in some limited way in the coastal saltwater areas.

The question then comes on how you administer this scheme. If you start out from South Carolina, and licensed in South Carolina under this proposal, and drift over into North Carolina waters and catch your fish there, are you subject to prosecution for not having a North Carolina license? Or is it contemplated that this license will cover any State? Just how much interjurisdictional action is a fisherman going to have to go through?

Mr. GORDON. Well, it's contemplated that the Federal license would be good in Federal waters regardless of the State which you are off from. But it would be left to the coastal State to issue a State license if they choose to for the State waters. If there were no State license, then obviously there would be no problem. If there were and they crossed over the State lines, then obviously they would be subject to the jurisdiction of that State.

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It's one of the complaints that we frequently hear from fishermen, that there are so many licenses that have to be gained in order to enjoy the sport as they move up and down the coastline, for example, that they would like to see some sort of an attempt at a universal license. But it remains under our system for the State to regulate as they see fit within their jurisdiction in terms of a license or whatever regulations.

Mr. OBERSTAR. It seems to me to be a notably unenforceable concept because a fisherman could always claim that he was operating in Federal waters and not in State waters.

Mr. GORDON. That creates a very major enforcement problem, proving where he caught the fish. If you saw him operating—he caught them at sea, fishing in the wrong spot, that's one thing. But if you're attempting to enforce it on a landing requirement, it's impossible.

Mr. OBERSTAR. You'd have to have a flotilla out there of enforcement agents if you intend to keep people honest by effective surveillance of operations.

Mr. GORDON. Either a lot of busy ships or a lot of busy airplanes.

Mr. OBERSTAR. You'd have to have a whole lot more than you think that are necessary. When you get a bunch of angry fishermen on your tail, they just simply aren't going to be happy.

How much money is generated by the sport fishing and boating taxes? What was the amount last year? Is it in the range of $145 million or higher?

Mr. GORDON. I will defer to Mr. Kutkuhn.

Mr. KUTKUHN. Mr. Congressman, in response to your question, on the order of $140 million.

Mr. OBERSTAR. And do you think it's really necessary to propose some more fees on top of that?

Mr. KUTKUHN. Let me respond by saying that in the freshwater States, the sector that I'm representing here today—and I think as Mr. Gordon has already indicated—in addition to the application of the tax to which you're referring, there has been traditionally a fishing license, the proceeds from which have been used by the States to defray the expenses of managing the extraction or the use of the resource, and we see that as proper. At the moment, I'm not aware of any recreational fisherman fishing in freshwater who seriously objects to that. So what we're talking about are funds derived through Federal taxes that are applied to the protection of the resource in the national or public interest, and then in addition to that, a fee to help in managing the extraction of that resource by the individual user.

Mr. OBERSTAR. Yes, but the fee is going to be deposited in the general fund.

Mr. KUTKUHN. The proceeds from the licenses?

Mr. OBERSTAR. From the current proposal; it's going into the General Fund.

Mr. KUTKUHN Oh, I see. I'd have to defer on that to my colleague. I'm thinking in terms of the fees collected by the States that are deposited in a dedicated fund.

Mr. OBERSTAR. Oh, yes. States—you've noted this; that's kind of an internal contradiction in your statement—you note that States impose fees for fishing in order to manage their resource, but then

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you go on to say that "recipients who receive special benefits from Federal services above those that accrue to the general public ought to pay more of the cost." But you're going to deposit that fee and that cost in the General Fund. It isn't going to go directly into improvement of the resource.

I can imagine that fishermen would say, well, if you're going to improve fishing, wildlife habitat and all the rest that goes along with it, we could perhaps accept this; but if you're just using—if you looked around—not you, but OMB and the White House—looked around and said, oh, here's some fine fellows; we can tax them; they aren't looking. Let's go and tax them and see if we can reduce the deficit. People are furious about that.

Mr. GORDON. As I said earlier, Mr. Congressman, in my discussions with the sport fishing constituency and the commercial fishing constituency, they don't much like the idea of a license; but if there's got to be one they would pay if, and only if, those funds are fully dedicated to improving that opportunity. This is universal. I don't find anyone saying, offset the budget with it, out there in the constituency.

Mr. OBERSTAR. For 12 years I've served on this committee. I've heard sport fishermen and hunters come before our Fish and Wildlife Subcommittee and say again and again, they are willing to be taxed, pay special fees to improve the resource, to improve the habitat, to increase wildlife, whether it's waterfowl or land animals. But for a proposition of this kind, they will rebel, absolutely rebel. It would be a totally unenforceable proposition.

Rather than belabor the point, there are a number of other questions about how this concept would be managed. I think it's self-evident that it is virtually unmanageable. I urge you, as Mr. Studds did previously in good humor, but in all dead seriousness, take this proposition back to OMB and bury it in a sub-basement someplace, and tell them not to think about extending it to the Great Lakes because, I assure you, we have a very deep, dark place in Lake Superior where they and their ideas can find a treasured home.

Mr. JONES. Thank you, Mr. Oberstar.

To conclude, I have one or two quick questions for Mr. Kutkuhn. I'm trying to find out where this came from. I would ask you to what extent your agency was consulted in the development of this "major policy initiative?"

Mr. KUTKUHN. Mr. Chairman, formally, it was not solicited for any opinion or participation in development of the initiative. Some of us knew about the initiative informally, but formally, we were not solicited.

Mr. JONES. Well, is your agency's advice now being sought by OMB as the proposal is fine-tuned and getting ready to be presented?

Mr. KUTKUHN. Not necessarily that formally, sir, because we haven't a document on which to work.

Mr. JONES. It's not within your jurisdiction, is it?

Mr. KUTKUHN. I beg your pardon, sir?

Mr. JONES. It's not within your jurisdiction, as such?

Mr. KUTKUHN. I would say that to some extent, it is. We share a responsibility with the National Marine Fishery Service, and to the

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extent that we do, I would say that we have an obligation to participate in something like this or to comment on it.

Mr. JONES. Well, I thank both of you gentlemen for your candid and concise testimony. I hope you have gotten the reaction from this committee as to the lack of enthusiasm that exists for this or any such like proposal. So again, thank you very much.

Mr. GORDON. Thank you.

Mr. KUTKUHN. Thank you, Mr. Chairman.

Mr. JONES. Our next witnesses are panel No. 3, Dr. William T. Hogarth, director, Division of Marine Fisheries, North Carolina Department of Natural Resources and Community Development; Mr. Eric Laschever, Associate Director for Fisheries and the Environment, Office of the Governor of Alaska; and also Mr. Gordon Robertson, representing the International Association of Fish and Wildlife Agencies.

Thank you gentlemen for appearing here this morning, and I will recognize you in the order in which the witnesses are listed.

Mr. Hogarth, you are recognized.

STATEMENT OF WILLIAM T. HOGARTH, DIRECTOR, DIVISION OF MARINE FISHERIES, NORTH CAROLINA DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT

Mr. HOGARTH. Congressman Jones, subcommittee members and guests, I am William T. Hogarth, director of the Division of Marine Fisheries of the North Carolina Department of Natural Resources and Community Development. I have been asked to comment on the administration's proposal to establish a Federal marine sportfishing license. No Federal authority exists to impose a license on individuals engaged in saltwater fishing, commercial or recreational, and North Carolina opposes Federal legislation to grant such authority.

The mission of the division of marine fisheries is to manage the coastal fisheries and fisheries resources of North Carolina. Management includes all activities contributing to maintenance and enhancement of the fisheries, fisheries resources and habitat supporting those resources, including data gathering, research, development, regulation, and enforcement.

In North Carolina, rules are enacted by our regulatory commission and enforced by the division's law enforcement staff. Our biological staff conducts one of the most comprehensive research and assessment programs of any State marine fisheries agency along the Atlantic coast. North Carolina has one of the most productive estuarine systems in the Nation, producing shrimp, crabs, and finfish for commercial and recreational fishermen in North Carolina, as well as for fishermen from New England to Florida, according to recaptures of fish tagged in our waters.

Authority for fisheries licensing in North Carolina rests with the general assembly, which establishes categories and fees. The division conducts a program to make licenses available to those citizens who use commercial fishing equipment for both commercial and recreational purposes. Such operations may include hook and line equipment if the catch is sold. The basic unit licensed is the vessel, not the person. Personal licenses are required only for those

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persons commercially harvesting oysters, clams, and scallops. Seafood dealers must also be licensed. Fishing gear is not licensed.

North Carolina does not have a marine recreational angler's license; however, ocean fishing piers, head boats, and charter boats are licensed. During the last several years, legislative committees, the marine fisheries commission, and our division have received comments from the public on the subject of a marine sportfishing license and discussed this topic many times. Even though there appears to be increasing support for a marine sportfishing license, there is no clear consensus in North Carolina.

As fishing pressure increases in the face of limited management funding, it may become necessary for saltwater anglers to share a portion of the financial burden. The department of natural resources and community development and division of marine fisheries are not opposed to consideration of a State marine recreational fishing license; however, we are definitely opposed to the imposition of a Federal marine sportfishing license.

Recreational anglers, salt and freshwater alike, already pay for Federal assistance in management of sportfishing through the excise taxes on fishing gear which go to the Federal Aid in Sport Fish Restoration Program, the D–J Program of the Department of the Interior. Under the Wallop-Breaux amendment to the D–J Program, coastal States must utilize a portion of their receipts for marine work.

Under the historical, existing State/Federal relationship in fisheries management, the States have the primary authority. This balance is proper, and derives from, one, the primary State responsibility for the environmental systems which produce the fisheries resource for harvest, and, two, the fact that all fishermen are citizens of States and most fish within the jurisdictional area of their State of residence. States, individually, and collectively under compacts such as the Atlantic States Marine Fisheries Commission, generally do a good job of managing their current fisheries programs under existing conditions.

All States require a license to fish recreationally in freshwater, and several have similar requirements for saltwater. All coastal States already require a commercial fishing license, and various reciprocal arrangements exist among those States to accommodate the needs of migratory fishermen.

All coastal States have sufficient authority to license saltwater angling if they choose to do so. Federal fisheries concerns have no bearing at all on the choice of an individual State to impose, or not impose, a marine angling license. This relationship should not be changed. Imposition of a Federal angling license solely for the exclusive economic zone would only create confusion and would be virtually impossible to enforce unless States participated in the enforcement.

Most States are badly undermanned in trying to enforce their rules within the territorial sea and estuaries, much less take on duties in the open ocean. North Carolina has a law prohibiting State officers from enforcement of Federal laws under Federal authority; we can enforce only North Carolina's rules.

In further consideration of administration and enforcement, it must be noted that the Federal Government cannot adequately en-

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force the fisheries regulations it already has. For example, there is only one National Marine Fisheries Service agent for all of North Carolina, and the Coast Guard is facing increased demands on a dwindling budget. Adequate Federal administration and enforcement of a sportfishing license would probably cost more than it could bring in at a $10 rate. If by some circumstances this proposal were enacted, equity would require that the license be valid in all Federal waters; validity in State waters would be up to the States.

Under the Magnuson Fishery Conservation and Management Act, sections 303(b)(1) and (d), the Secretary of Commerce can require payment of fees by owners of fishing vessels participating in federally managed fisheries in order to recover the administrative cost of issuing permits for those fisheries.

There are other alternatives to improve support of Federal fisheries conservation programs. Increased foreign fishing fees is one possibility. Since the value of imported fishery products exceeds the value of domestic production, dedication of fisheries import duties to Federal conservation and management rather than going to the general treasury could probably produce considerable funding for fisheries management. Another excellent alternative funding source for fisheries is the funds now accruing to the Federal Government from Outer Continental Shelf petroleum production and leasing. Congressman Jones has worked very hard to make these funds available for conservation purposes, with considerable support from the States and his fellow Congressmen. Neither the Senate nor the administration has agreed with the concept. It remains an excellent idea.

It might be possible for States to consider a cooperative State/Federal licensing arrangement if the sole purpose of such a proposal were improved fisheries conservation and management. I do not view the offer to share marine angling license receipts with States as a means to improve State/Federal fisheries management, but as a way to obtain funds for the Federal Treasury.

Thank you for allowing me to testify. I will be happy to try to answer any questions you may have.

Mr. JONES. Mr. Horgath, thank you for a concise and informative statement.

Mr. HOGARTH. We have done some work on the costs, the administrative costs of this, and under the $10, the State would lose about $200,000, so it's evident that we would have to increase the fee to about $12 to even break even, and there would still be nothing for the management of the fishery resource.

Mr. JONES. That's very good testimony. Thank you.

Our next witness is Mr. Laschever from the State of Alaska.

If you don't mind—I don't want to cut anybody short, but if you could file your statement and then give us a Reader's Digest version?

Mr. LASCHEVER. Sir, I'd be happy to do that.

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STATEMENT OF ERIC LASCHEVER, ASSOCIATE DIRECTOR FOR FISHERIES AND THE ENVIRONMENT, OFFICE OF THE GOVERNOR OF ALASKA

Mr. LASCHEVER. My name is Eric Laschever. I'm the Associate Director for Fisheries and the Environment in the Alaska Governor's Washington, DC office. I appreciate the opportunity for the State of Alaska to testify on the administration's proposal to establish a Federal marine recreational fishing license.

Alaska believes the concept, as currently proposed and outlined in your letter of invitation, presents major problems for the State and its people, and for this reason the State is opposed to the proposal. Traditionally, the States have exercised the authority to license sport fishermen; the State and other Western States have licensed their marine anglers to derive revenue to fund the management of their marine fishery resources. We believe that the addition of a Federal marine license fee will diminish individual States' ability to administer their own license programs.

Virtually all of the Alaskan marine recreational fisheries occur within the 3-mile limit, and therefore are managed by the State. Our sport fishing license has provided revenue to manage these fisheries; in fact, resident sport fishing license fees are currently under review by the Alaska Department of Fish and Game. The State license fee has not been increased since 1977, and the department believes it may be time to seek the needed State legislation to increase the fee. Doubling the State's fee increase through the addition of a Federal marine license would create angler resistance, and it would make it extremely difficult to pass legislation to increase State license fees to meet changing management needs.

Recent declines in State revenues have put a lot of pressure on the State program to become totally dependent on Dingell-Johnson receipts and fees from our license program. We believe this trend will continue, leaving the license fee increase as the only avenue for revenue enhancement.

If the State's opportunity is diminished because of the added Federal license, sportfish management programs in Alaska would suffer. We feel this prospect is all the more real if the Federal fee replaces the State fee because the current proposal does not dedicate the revenues, as several people have noted. There's no method for distribution of the funds in this proposal.

On the subject of commercial fishing, Alaska already has a license system in place, and I think that the same concerns that I've expressed for a sportfishing license would apply equally there.

The proposal seems to presume that the States would administer the program. In the case of Alaska, this may require State legislation to authorize Alaska to take an active role. We have a number of questions regarding that which I won't repeat here because they've already been asked by you and other members of the committee, but they are in the full statement.

In summary, I would like to restate that Alaska is opposed to the concept of a Federal marine recreational fishing license. I'd like to note that our reasons are almost identical to the reasons given by the administration today for not seeking a tax on freshwater fishing. They include the fact that nearly all Alaskan sport fisheries

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occur within State waters, with all management and enforcement programs currently funded by the State. No Federal programs exist or are proposed by Federal agencies for marine recreational fisheries in Alaska; therefore, it follows that since the State manages the recreational fisheries, the State should receive the full benefit of any sport fishing license required to fish in Alaska.

Thank you again for the opportunity to appear before your committee and to express our views on this issue.

Mr. JONES. Thank you, Mr. Laschever.

The next witness is Mr. Robertson.

STATEMENT OF GORDON C. ROBERTSON, LEGISLATIVE COUNSEL, INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

Mr. ROBERTSON. Thank you, Mr. Chairman.

As you know, the International Association of Fish and Wildlife Agencies is a quasi-governmental organization of the public agencies in the 50 States that possess the legal authority for the management and protection of North American wildlife. The association has been a key organization in promoting principles of sound resource management and in strengthening Federal, State, and private cooperation in protecting and managing fish and wildlife in the public interest.

The association appreciates the opportunity to comment on the administration's proposal for a Federal marine fishing fee. The State members have a keen interest in this proposal as it is outlined in the Office of Management and Budget's Major Policy Initiatives for fiscal year 1987.

The International Association of Fish and Wildlife Agencies does not support this proposal. There are several reasons for this position.

One, the issuance of fishing, hunting, and trapping licenses and the collection of those fees, for other than migratory birds, is traditionally a State prerogative.

Two, initiation of a Federal program would preclude State initiatives to establish fees or licenses, and forces the State to administer—and therefore collect—a fee for a Federal program.

Three, no revenue would be returned to Federal marine fishery programs.

Four, existing marine fishing fees in several coastal States are ignored and would therefore be jeopardized.

And, five, there is no provision for assessing the commercial fishing industry.

I'll make a brief note of explanation for each of these points.

On the first point, it's very simple. We strongly believe that the States bear the responsibility of administering fishing licenses, including any marine sport fishing fee. As a sidelight, we cannot think of another example where the State collects a natural resource user fee for the Federal Government's use.

On the second point, a Federal license will interfere with the ability of the affected State to collect existing inland and marine fees for recreational fishing programs. A $10 license fee increase or additional fee is a substantial and significant amount at the State

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level. This would cause the cost of sport fishing licenses in several States to approach $30. Such an increase and total license cost would be met, as observed here earlier this morning, with great resistance by the sport fishing constituency and would certainly affect the State's ability to continue license sales at current levels and cause great difficulty for any needed fee increase and other license fee structures within the State.

This association, on the third point, believes strongly in the user pay concept and that user revenues must return 100 percent to the resource program from which they are collected. The proposal would return $5 to the General Treasury of the Federal Government. This is a repudiation of the user pay principle. In the case of the National Marine Fisheries Service and the Fishery Management Councils, operating budgets are proposed for severe cuts. In the case of the National Marine Fisheries Service, the cut is of a magnitude that will affect the ability of the agency to perform their most basic and fundamental operations.

Any Federal marine sport fishing fee must be returned to these agencies if the fee is to exist. The National Marine Fisheries Service and the Fishery Management Councils spend the majority of their respective efforts on the commercial fishery resource. We recognize that there is overlap between commercial and recreational fishery programs, but we also recognize the need for equitable funding to the recreational fishing industry.

On the fourth point, the proposal does not outline how States with existing sport fishing licenses will be treated. Will they be forced to add $10 to their current license fee structure? Will they be "grandfathered" but expected to contribute $5 to the General Treasury of the Federal Government for every marine angler? Will they have to change their current licensing system to accommodate this Federal mandate? Imposition of the Federal fee could cause restructuring of State fee systems and unnecessarily high administrative costs.

Eight States currently have some sort of marine fishing fee. These range from required stamps for certain species to licenses for both fresh and salt waters to a license requirement for specific geographic areas. Several other States are investigating implementation of a marine fee program. Most importantly, several States have tried to establish marine recreational licenses and found the resistance overwhelming. State fishery resource agencies are for establishing better management systems, but they must be able to do this commensurate with their needs and in coordination with solid support from the fishermen who will benefit.

On the last major topic, the commercial fishing industry has a considerable impact on marine recreational fishing. The two are inextricably linked where the same fish species or species groups are involved. As previously mentioned, the National Marine Fisheries Service and Fishery Management Councils spend the majority of their efforts in this arena. The association believes that the proposal should also assess the commercial industry an appropriate marine fisheries fee. Any fee assessed should apply to the Exclusive Economic Zone and be commensurate with the larger commercial harvests.

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Now, the committee requested comments on several points. Most of these have been covered.

Mr. JONES. Would the gentleman yield? I certainly don't want to deprive you of your time, but could you possibly submit the rest of your statement for the record?

Mr. ROBERTSON. Certainly. And if you have any questions, I'd be glad to take them.

[The remainder of Mr. Robertson's statement follows:]

REMAINDER OF STATEMENT OF GORDON C. ROBERTSON

The Committee requested comments on several specific points. Most of these have been covered. Those not covered are:

Should a similar federal licensing program be implemented for sport fisheries managed or supported by the Federal Government? Since each state is responsible by state law for the fisheries resources within that state's borders, we cannot support a federal fee for inland fisheries or a federal role that is more than cooperative at the direction of the state's existing management and research policies.

Further, some programs are a federal responsibility: endangered species, mitigation, stocking on Native American lands, and programs for anadromous fish. The anadromous fish programs are often interstate and even international in nature. Close attention would have to be given to anadormous fish programs because several have been partially funded through interstate agreements whose funds originate with sport fishermen.

Should the state be responsible for enforcement? Not for a Federal Marine program that does not return any revenues to federal fisheries efforts. In some instances state program management by regulation demands a high degree of enforcement. If the state is involved in marine fishery management and research, enforcement is integral to the program success, but it is also costly. Enforcement will generally be close to 30 percent of the total program budget. A marine license is best enforced through landing check sites and in cooperation with appropriate federal officers. These may be mandatory or voluntary and spot checked for compliance.

Should a license holder be allowed to fish in marine waters adjacent to any state? In fairness, yes. However, this could cause some equity problems for those states with unique demographic features that lend to large numbers of out-of-state fishermen. For example: How does one justify the low revenues for a state with rich offshore fisheries and a low license buying population that is adjacent to a heavily populated state whose fishermen purchase their licenses in their home state and make frequent weekend or day trips to the neighboring state for fishing?

We have no alernatives to offer. We do not support a federal sport fishing license. The prerogative for such a license lies with the individual states, depending on their fishery resource and management needs.

Mr. JONES. As to questions, I will advise you that the committee will submit written questions to the witnesses, and we would like written responses for the record. I note the absence of any committee members, and I'm sure they would like to have that opportunity. So if you gentlemen would be prepared to accept those questions and provide answers, the Chair would be very grateful.

Mr. LASCHEVER. Yes, sir.

Mr. JONES. Thank you very much for your attendance here today, your presence.

Our final panel is composed of Mr. Norville Prosser, vice president, Sport Fishing Institute and Mr. Richard Gutting, vice president for Government Relations, National Fisheries Institute.

Again, the Chair would make the same request, if possible, that you submit your statement in its entirety, which will be printed in the record, and give us a short version of that which you are proposing.

Mr. Prosser, I recognize you first.

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STATEMENT OF NORVILLE S. PROSSER, VICE PRESIDENT, SPORT FISHING INSTITUTE

Mr. PROSSER. Thank you very much, Mr. Chairman. I am Norville Prosser, vice president of the Sport Fishing Institute. The Sport Fishing Institute has sought a congressional hearing on this issue of licensing coastal marine fishermen for a long time, and we're delighted to have the opportunity to appear before you today to discuss it. Quite frankly, we envisioned a little different format, but we'll discuss the one before us today.

Anglers are a bit unique, along with hunters, in that they pay a tremendous share of the support for the resource management that supports their recreational activities currently. As a matter of fact, if you added up all of their contributions, recreational anglers in this country spend $404 million annually, and they expect a cooperative partnership effort with the Federal and State governments to maintain and improve those resources. As was indicated by Mr. Robertson, 8 out of 23 coastal States currently do license their marine anglers.

SFI fully endorses these licensing programs; in fact, we have worked with the remaining coastal States so that they can implement licensing on their marine anglers, because there are a vast number of very real opportunities that will come to those marine anglers if they are licensed. In fact, we supported legislation that was introduced in the 98th Congress that would have mandated State licensing of marine recreational anglers.

The debate has been greatly confused as a result of the administration's initiative, and numerous questions of equity, propriety, and political reality render the President's initiative completely unacceptable to the Sport Fishing Institute. For one thing, as I've indicated, anglers already contribute $404 million a year; that's $7 a head for man, woman, and child. There's a lot of other recreational activity out there, a lot of recreational enthusiasts, that receive support from the Federal Government for facilities to support their recreation. We think that's appropriate, but we wonder why anglers are targeted? Simply because they've exhibited a presence of mind to contribute to their recreation in the past? We don't think that's a reasonable reason to target them again.

Recreational anglers harvest less than 10 percent of the edible finfish from the exclusive economic zone. We feel that a truly equitable licensing program would certainly not ask recreational fishermen to shoulder more than 10 percent of the burden.

Licensing of fishermen and hunters has been among the most jealously guarded prerogatives within the States, and the administration's proposal to trample this long-standing State right not only conflicts with the administration's often-enunciated New Federalism, but reflects just a total insensitivity to this long-standing separation of powers.

Right now, the five coastal States who license their anglers charge an average of $12.46 to fish in the marine zone. We're talking about essentially doubling that fee in one fell swoop. Without a doubt, that will have an enormous adverse impact on participation in those coastal States who already license.

Mr. JONES. Mr. Prosser, could you——

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Mr. PROSSER. Yes, sir, I'm at the end of my statement, sir.

Mr. JONES. Which are the five States that——

Mr. PROSSER. The five coastal States that have what we consider uniform licensing—that is, they treat their coastal fishermen the same way as their inland fishermen——

Mr. JONES. What are those States?

Mr. PROSSER. Alaska, Oregon, California, Texas, and Louisiana.

Mr. JONES. Thank you. Sorry to interrupt.

Mr. PROSSER. That's quite all right.

My written statement—at the invitation of the committee, we were asked to provide some alternatives to licensing, and as I've indicate, the Sport Fishing Institute thinks that there is cause for a reasonable, well-considered licensing program by the States for coastal marine recreational fishermen. And we have submitted a list of alternate concepts that we hope would bear consideration by this committee. Just a few of those, if you will, sir.

We propose that any Federal license should reflect user group equity based on the consumption of the resource.

Any money has to be absolutely and totally dedicated and earmarked for resource expansion.

We think that any Federal fee should obviously be limited solely to the Federal jurisdiction. We propose we might do that through application to regional fishery management plans.

We have given an example where there are supplemental Federal stamps currently in existence for fishing. If you go fishing in Virginia, for example, on U.S. Forest Service lands, you buy a $2 supplementary Forest Service stamp. The money is spent by the States to expand fishing on the Forest Service lands. We think that might be an example that we might follow.

Lastly, Mr. Chairman, we would hope that any Federal licensing legislation that comes up would attempt to leverage the coastal States to consider licensing their anglers. We know that it would be a very strong benefit to our constituency and to our industry in the long run.

In summary, if the Federal Government desires to better manage marine finfish stocks through a supplementary fee structure for users and not simply to place an unprecedented share of the deficit reduction burden on the backs of fishermen, SFI stands prepared to help attempt to craft such legislation. We have offered what we believe is a constructive framework alternative to the President's proposal, and we stand ready to assist the committee in any further actions.

Thank you, and I'd be delighted to answer questions.

[The prepared statement of Mr. Prosser follows:]

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STATEMENT OF NORVILLE S. PROSSER, VICE PRESIDENT, SPORT FISHING INSTITUTE

Mr. Chairman, I am Norville S. Prosser, Vice President of the Sport Fishing Institute. The Sport Fishing Institute (SFI) has long sought a hearing on the marine fishing licensing issue and I am delighted to appear before you today.

SFI is a non-profit conservation organization dedicated to improving sport fishing opportunities for all Americans. As angling becomes more accessible and of better quality, thanks to user-pay generated revenues, participation in this healthful outdoor recreational activity increases. As a consequence, the dependent sport fishing industry also benefits. Fishing ranks at, or near, the top of the recreation popularity roster. In 1985, a Gallup Poll of leisure activities placed fishing number two overall and number one in popularity among adult men. The Poll reflected that a full 34 percent of all American adults fished in 1985.

Fishing opportunities do not just happen. By-and-large resource protection and creation of fishing opportunities require capital investment for research, management, and facilities construction. Anglers, like hunters, have willingly assumed a partnership role in funding necessary resource development programs to enhance their recreational fishing activities. Through earmarked specialty tax programs and direct licensing, anglers contributed approximately $404 million in 1985 to protect and improve recreational fishing. Government (both state and local) strive to meet basic stewardship responsibilities for such programs as basic water quality protection through efforts supported with general tax revenues. Such stewardship programs also benefit the angling fraternity. It truely is a unique partnership between government and the individual recreational anglers.

Currently, eight of the twenty-three marine coastal states require partial or uniform (comparable to inland anglers) licensing of their marine anglers. Although individual peculiarities exist in each case, generally uniform licensing of marine anglers is required in Alaska, Oregon, California, Texas, and Louisiana. Washington requires a stamp for salmonid fishermen, Alabama licenses its non-resident marine anglers and Maryland licenses Chesapeake Bay fishermen. Maryland is of particular interest as it became the first state on the Atlantic seaboard to adopt a marine licensing program on January 1, 1985.

SFI fully endorses these licensing programs and has consistently worked to assist the remaining coastal states implement licensing in their marine jurisdictions. In fact, we supported legislation introduced in the 98th Congress that would have required all coastal states to implement equitable licensing for their marine anglers, with the proceeds dedicated to recreational fishing enhancement programs.

President's Licensing Initiative

The continuing debate over licensing of marine anglers has become more confused with the introduction of the Administration's federal marine angling license proposal. The federal proposal seeks a $10 minimum license with the following stipulations:

- Each marine coastal state would issue the license in conjunction with its freshwater fishing (or other) license program.
- Each marine coastal state participating in the program would provide $5 of the license fee to the federal government and could assess an additional amount to recoup the costs of administering the license program and to recover costs of fishery management by the state.

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- States would provide the federal government with information on the number of licenses issued.

- The federal marine license would be transferrable among states.

Numerous questions of equity, propriety, and political reality render the President's initiative completely unacceptable to SFI.

To address equity one must examine several issues. Why have anglers been selected for this favored treatment? As already noted anglers shoulder a $404 million annual burden, or $7 each (based on 60 million anglers of all ages). What about other types of outdoor recreationists? Investment of general federal tax dollars is required, and justified, to help meet public demands for a lengthy list of outdoor enthusiasts. Why are these groups not targetted to help offset their costs through some licensing scheme? Were recreational fishermen targetted simply because they have exhibited a willingness to pay in the past?

To provide equitable treatment among all fishermen, it would be necessary to collect user fees based on some reasonable assessment of the actual use made of the resources in question. Overall, recreational anglers harvest less than 10 percent (by weight) of the edible finfish harvest from the Exclusive Economic Zone (EEZ) each year, although they predominate the harvest of certain high-valued fisheries. Their fair share of any federal licensing burden should, therefore, not exceed ten percent of the total such user fees collected to be truely equitable.

The most important issue regarding equity relates to whether a federal fee system should apply to all marine waters or just to the EEZ. Licensing of fishermen and hunters has been among the most jealously guarded of state prerogatives. The Administration s proposal to trampel this long standing state right not only conflicts directly with the Administration's oft-enunciated New Federalism, but also reflects general insensitivity or lack of awareness of this enormously important and long standing division of powers. To purchase any real political viability, any federal licensing proposal must be confined to waters or resources within federal jurisdiction.

SFI is also concerned over the potential adverse impact which this ill-conceived federal proposal may have on state licensing initiatives. In 1985, both Maryland and Louisiana licensed marine anglers with the proceeds dedicated to marine resource conservation purposes. Currently, several additional marine coastal states are debating the issue and positive momentum can be claimed in several cases. No state will adopt a licensing program without at least the tacit support of the marine angling community within its borders. Such support will only occur after deliberate, reasoned arguements such as currently underway in Massachusetts and Florida. The federal initiative has proven counter-productive and may well forstall state initiatives. The Administration's proposal has proven a perfect strawman target which has enflamed the rhetoric and mobilized press and political licensing opponents. As a consequence attention has been diverted from the well-reasoned discussion of issues which were underway in several locales.

The President's proposal for a $10 annual fee (plus administrative costs) is fully impractical from a licensing cost perspective. License increases within the states have historically received stiff resistance by state legislators and succeed only after careful consideration, and then most commonly only in small dollar increments. To essentially double the cost to marine anglers in those jurisdictions with existing state licensing requirements through the imposition of an additional $10 license, would undoubtedly result in the sharp decline in marine fishing participation and create hardship on the $9.8 billion marine recreational fishing industry.

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Concepts for a Possible Alternative Licensing Scheme

As requested in the invitation to appear before the Subcommittee to discuss alternatives to the President's proposal, SFI recommends that any federal licensing proposal should consider the following elements:

- Any federal license fee schedule should reflect user group equity based on actual consumption of resources in question.

- All revenue collected from recreational fishermen must be entirely dedicated and earmarked for recreational fishing resource conservation, and must be additive and not compensatory for existing funding sources.

- Any federal fishing fee should be limited to species or species groups specifically under the management authority of the federal government, such as interjurisdictional species managed under a Fishery Management Plan promulgated under the Magnuson Fishery Conservation and Management Act.

- Federal fees could be collected by means of specific, species-related fishing stamps. Examples of existing state-collected fishing stamps include the salmon stamps required in the states of Washington and Maine, and California's striped bass stamp. The Federal Duck stamp is another example.

- The fee schedule for such stamp(s) must be reasonable and must complement state licensing fees.

- Stamp(s) must be available from state fishing licensing agents and U.S. Post Offices, such as are existing supplementary stamps for fishing in selected federal jurisdictions. An example is the nominal ($2.00) U.S. Forest Service stamp collected by and used by certain states to enhance fishing, hunting, and trapping opportunities within the National Forest System.

- Monies collected from such stamps should be earmarked for cooperative state/federal management programs conducted by the states that would benefit species under federal jurisdiction.

- A reasonable administrative body for investing federal fishing stamp revenues would seem to be the Atlantic, Gulf, and Pacific States Marine Fisheries Commissions in close cooperation and in coordination with federal management authorities including the Regional Councils.

- Lastly, SFI would hope that any federal licensing initiative would contain language to encourage the states to implement state licensing. Jeopardy for failure to do so could include loss of federal fisheries grants, including monies from the Federal Aid in Sport Fish Restoration Act.

In summary, the Administration's proposal offers little merit which SFI can support and has, in fact, proven counterproductive to the cautious but steady movement by coastal state constituencies to adopt carefully considered licensing programs within their own jurisdiction.

If the federal government desires to better manage marine fish stocks through a supplementary fee structure for users, and not simply to place an unprecedented share of the deficit reduction burden on the backs of fishermen, SFI stands prepared to help attempt to craft such legislation. We have offered what we believe is a constructive, framework alternative to the President's proposal and stand ready to assist Committee staff.

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Mr. JONES. Thank you, Mr. Prosser.
Mr. Gutting.

STATEMENT OF RICHARD E. GUTTING, JR., VICE PRESIDENT FOR GOVERNMENT RELATIONS, NATIONAL FISHERIES INSTITUTE

Mr. GUTTING. Thank you, Mr. Chairman. I am Dick Gutting from the National Fisheries Institute.

The Institute is the largest trade association representing the fish and seafood industry here in the United States. Our 1,000-member companies harvest, process, and market seafood throughout the United States.

I am not going to read my statement; I would ask that it be put into the record. I'd like to make a few comments.

Mr. Chairman, I've sat through a lot of hearings, and I think we have reached an historic point. We've got an administration proposal, and as far as I can tell, the administration officials, the States, my colleague from the Sport Fishing Institute, and the commercial industry all agree this proposal is dumb and it's unfair. And I can't recall ever being in this position, where we have such a consensus among such a diverse group.

I think this proposal is dumb, Mr. Chairman, because it has not been thought through. Congressman Saxton asked the right question: What is the objective? What's the purpose here? Are we trying to improve conservation and management, and if so, how? Are we trying to recover costs, and if so, what costs? Or are we just trying to raise revenue? And if we're trying to raise revenue, how much? Why not $20 million? Why not $30 million? Why not $40 million? Why not $1 billion? How much revenue do we want?

I don't think the administration has any answers as to what it's trying to accomplish, so it's difficult to assess whether or not its proposal makes any sense. Let's hear what the purpose is, and then let's analyze whether or not this particular proposal is a good strategy and whether the purpose is a good one.

I want to make something clear. We're for user fees, Mr. Chairman. If the Government is spending money to confer a specific benefit to an identifiable person, then we have no objection if the Government imposes a fee to recover those costs. We've testified to that effect last year in the Coast Guard user fee hearings. But as witness after witness has pointed out, this is not a user fee. This is a tax, and we are opposed to a tax.

Is the purpose fishery management? Is there some benefit to the resources or to the users? Would we have a better management system with this fee? If so—let's talk about that. The administration officials seem fuzzy on that.

I think it's unfair, in addition to being dumb, because it's asking one group to subsidize another group, and we've heard a lot of comments about that and I won't go into it. I would point out, however, that the commercial fishing industry does pay taxes and does pay a lot of fees. That fish that comes out of the water is taxed again and again and again and again and again as it goes from the boat to the dealer, to the processor, to another dealer, and all the way to the restaurants. If you look at how that fish makes its way to the

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consumer, you will find that at every step of the way there are fees, there are licenses, and there are taxes.

Congressman Studds asked a very good question. Consider all those taxes and consider all those fees and licenses, and then compare them to those paid by our competitors. Our competitors are in agriculture; we're competing against meat and poultry producers. Is it really fair to tax one food producer one way, and another food producer another way?

All that is easily said and has been said by the witnesses before me. What's tough and what hasn't really been addressed is Congressman Young's question. How do we get out of this? We've got a $20 million proposal in the House-passed Budget Act. We're facing a situation where, because of the rules of Gramm-Rudman, we may be in a situation where somebody is going to have to come up with $20 million, one way or the other.

On pages 8 through 10 of my testimony I give you a number of alternatives. I don't know whether these alternatives are consistent with the needs of the committee. If, however, you must find $20 million in new revenue, there is one activity in Federal waters which is subject neither to Federal taxes nor any Federal fees. I am referring, Mr. Chairman, to the foreign processing vessels which continue to operate in our fisheries. These vessels purchase fish from U.S. fishermen. Now, if these vessels were catching their own fish, they'd be paying poundage fees, Federal fishing fees. If the U.S. fishermen were landing fish, there would be taxes paid on that landing, depending on where he landed. Normally, there is some kind of small percentage charged on the ex-vessel value; it varies from 2 to 3 percent, and sometimes it's as high as 5 percent.

So the American fisherman who is landing his catch is paying taxes, and the foreign fisherman is paying fishing fees. The one group which is paying neither is the foreign processing vessel. I'd urge the committee to consider that. If you really get in trouble and you've got to find $20 million, consider that as a way out. Thank you, Mr. Chairman.

[The prepared statement of Mr. Gutting follows:]

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STATEMENT OF RICHARD E. GUTTING, JR., VICE PRESIDENT-GOVERNMENT RELATIONS, NATIONAL FISHERIES INSTITUTE

Mr. Chairman, I am Richard E. Gutting, Jr., Vice President of Government Relations of the National Fisheries Institute. The Institute represents over 1000 companies which harvest, process and market fish and seafood throughout the United States. Included within the Institute are the National Fish Meal and Oil Association and the Shellfish Institute of North America. Numerous other associations are associate members of the Institute including the Alaska Factory Trawler Association, the American Tunaboat Association, the Fishing Vessel Owners Association the North Pacfic Fishing Vessel Owners Association, the Southeastern Fisheries Association and the Texas Shrimp Association. Members of the Institute and these affiliated associations operate vessels in all major U.S. commercial fisheries.

The Institute appreciates the opportunity to testify on the proposal of the Administration to collect some $20 million in sport fishing fees. This proposal, as we understand it, would require every marine angler to have a federal license costing a minimum of $10. The program would be administered by the states and $5 would be returned to the General Fund of the U.S. Treasury for every license issued.

This proposal is of great interest to the commercial fishing industry because it could set a precedent for a federal fee system for our industry.

The Administration's Proposal

The Institute is not opposed to direct fees which are imposed when a particular service is furnished to a specific person. Our concept of user fees, however, assumes a free marketplace where people pay for the services they demand. These are traditional user fees with a direct relationship between the service rendered and the benefit received.

Real user fees can be helpful to improving the efficiency of government. When users pay, for example, they have an economic incentive to request only essential services. Government officials get immediate feedback on what is needed, and what is not. Charges, however, should be based solely on the actual costs to the government to deliver the benefit received. Also, there should be adequate public and Congressional oversight to insure that fees are justified. Finally, private industry should be given an opportunity, to the maximum extent possible, to provide the services as an alternative to the government.

While we are not opposed to real user fees with adequate safeguards, we are opposed to any new taxes which could be imposed under the guise of fees. This is what the Administration appears to be proposing.

We have not seen any specific legislative proposal from the Administration. Nor do we know why the Administration is proposing that fees be imposed beyond it's apparent desire to collect more revenue from Americans.

If the Administration's goal is to recover the costs incurred by the fishery programs of the National Oceanic and Atmospheric Administration, the fees are inappropriate. NOAA's budget request emphasizes, that: (1) its fishery programs concern all living marine resources, including marine mammals and

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endangered species, and their supporting environment, and (2) they are "for the benefit of the Nation" and to "ensure that fishery stocks continue as a renewable resource." Many of the NOAA fishery services are required by federal law or international agreement. Demonstrating a connection between these services and an individual benefit, as opposed to a public benefit, is extremely difficult. That's probably why the Administration is proposing across-the-board assessments for recreational fishermen.

We believe that NOAA's fishery activities, as described in it's budget documents, are traditional government functions which should not be subject to fees. Most of these activities support regulatory programs. They benefit the public at large rather than individuals.

It is possible that the Administration is suggesting a far more radical idea, namely that the Federal Government should begin to sell marine creatures to Americans. Such a proposition, if it is in fact being suggested, is contrary to a deep-seated tradition in our law and culture that wild animals belong to all citizens in common and are the property of no one. Not until they are captured can they be "owned." The U.S. Supreme Court has described the historical role of government under our constitution as that of a trustee or steward which manages the resources "as a trust for the benefit of the people, and not as a prerogative for the advantage of the government as distinct from the people, or for the benefit of private individuals as distinguished from the public good." (Geer v. Conn. 161 U.S. 519, 529 (1896)). This has been the consistent policy of the Federal Government since the founding of our nation and should remain so.

On the other hand, the real purpose behind the Administration's proposal may be to set up a federal licensing system to preempt existing state licenses and those that could be required by the Regional Fishery Management Councils under the Magnuson Act. This idea has been advocated by some recreational groups as a way to force the states to collect better economic data on recreational fishing, and to help these groups politically organize sports fishermen. The idea is extremely controversial, however, particularly in those states with a long tradition of free and open access to marine waters. In this respect the views of many individual sportsmen may differ from the institutional interests of those organizations arguing for greater federal regulation.

Numerous licenses, fees, taxes and reporting requirements are imposed on commercial fishermen and processors by both state and federal agencies. Any across-the-board federal license requirement for the commercial industry, therefor, is unnecessary as a means of gathering information needed to manage fisheries.

Until we know the purpose behind the Administration's proposal and more about how it would be administered, it is difficult for us to comment on its merits. At this point, however, we fail to see how it can be justified as being either appropriate or necessary for the conservation and management of U.S. fisheries.

Equity

The Subcommittee has asked the Institute to answer a series of questions about the equity of the proposed fee. You ask, for

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example, whether both recreational and commercial fishermen should pay, and what should be the geographical scope of the licenses?

If the purpose of the proposal is to raise revenue, the only "fair" way to impose fees is to identify a specific benefit, determine how much it costs to produce, identify the specific beneficaries, and divide the costs equally among the beneficaries.

Procedures also should be set up to insure that the revenue collected is used to pay for the costs of providing the services and not some other government program. In this regard there are no assurances in the Administration's proposal that user fees would be used to pay for fishery programs.

One group of fishermen, should not be asked to subsidize another group. Nor should fishermen be asked to subsidize those people who are interested in marine mammals or endangered species, or in otherwise enjoying the marine environment. If fishing fees were appropriate, which they are not, the fair way to set them up would be self evident. The fact is that the proposed fees are not appropriate and there is no "fair" way to allocate them without asking one group to subsidize another group.

"Fairness" includes the idea that people in the same position should be treated alike. In considering the "fairness" of any fee with respect to the commercial fishing industry, the Subcommittee should bear in mind that this industry competes against other U.S. food industries which receive substantial government assistance as well as foreign producers. U.S. fishermen and processors already pay substantial fees and taxes at both the state and federal level. Additional user fees should not be imposed in a way which upsets the competitive balance with other U.S. food producers and our foreign competitors.

Administration and Enforcement

The Subcommittee has asked a series of questions concerning the administration and enforcement of the proposed fees by the states.

The basic issue, as we see it, is whether or not a state agency could collect and enforce the fee at an administrative cost less than either a federal agency or a private organization. If a state agency is willing and able to do the job at the least cost, it should collect and enforce the fee. The idea is to minimize the costs of administering the program and thus the burden on the private citizen who will have to pay these costs in addition to the $10 minimum amount. We suspect that the answer to the question of who can do the job at the least cost will vary from state to state.

On the other hand, if the idea behind the proposal is to preempt the states, or encourage them to license fishermen through the threat of preemption, the question of who should administer the fees is more complicated. Deciding who should administer the program in this situation would depend upon whether or not the state was complying with some federal licensing policy and not whether it could administer the program at the least cost.

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Alternatives

The Subcommittee also asked whether there are other ways to offset the need to raise $20 million from recreational fishermen.

If $20 million must be raised in the budget process by the Merchant Marine and Fisheries Committee, the alternative we prefer, is to reduce federal spending for those programs within the Committee's jurisdiction which the Committee believes could be turned over to the private sector, or which have the lowest national priority. Of course we would hope that any cuts would not be made to NOAA's fishery program.

A second alternative would be to review those programs within your jurisdiction to determine if any services they provide meet the criteria I have mentioned and are appropriate for user fees. Last year, for example, we testified that fees might be appropriate for several U.S. Coast Guard services, such as those relating to issuing licenses, vessel admeasurement, and some ice breaking activities.

Another alternative is to collect fees from those foreign factory vessels which buy fish from U.S. vessels in the U.S. Exclusive Economic Zone. NOAA reports that these vessels receive benefit "because U.S. management under the Magnuson Act provides opportunities for processing fish on grounds and transshipment from the grounds." (51 Fed. Reg. 203) Despite this, they pay neither U.S. taxes (like U.S. harvesting and processing vessels and plants) nor foreign fishing fees (like foreign havesting processing vessels).

These vessels are in position to pay fees for the benefits they receive. Foreign harvesting vessels are projected to catch about $140 million worth of fish this year and pay about $49 million in U.S. fees. There is no indication that these fees are too high or are discouraging foreign harvests. Indeed, the complaint from the foreign fleets is that not enough fish is being allocated to them.

Foreign factory vessels, on the other hand, will buy between $100 and 150 million worth of fish from U.S. fishermen this year. NOAA reports that the production from these vessels "represent an inexpensive source of fishery products" for the countries concerned. (51 Fed. Reg. 203). Their products are sold in the same world markets as the products of the foreign havesting/processing fleets which are paying U.S. fees. There is no indication, therefor, that these foreign vessels would be unable to pay fees at the same level as the other foreign vessels.

Also, there no longer appears to be a policy justification for giving these foreign vessels a cost advantage over other foreign and U.S. processing operations. The fact that fees have not been charged has helped foster the rapid expansion of offshore processing through "over-the-side" sales from U.S. fishermen. These deliveries have risen dramatically and are expected to exceed the foreign catch this year. Given this growth, it is questionable whether foreign factory vessels should continue to enjoy the unique status of paying neither U.S. taxes nor U.S. fees.

Still another alternative is to increase the fees for foreign harvesting under section 204 of the Magnuson Act. This

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section requires that "at least" the foreign share of the costs of implementing the Act be collected. Higher fees might be collected to encourage the more rapid displacement of foreign harvesting vessels by U.S. vessels.

In conclusion, I would like to thank the members of the Subcommittee for their diligent efforts to provide the funding needed for our nation's fishery programs and for your interest and support for the commercial fish and seafood industry. We appreciate your efforts and look forward to continuing to work with you.

Mr. JONES. Thank you, Mr. Gutting, very much, and I want to compliment all the witnesses.

We will include in the record statements that the committee has received from Senator Bill Bradley of New Jersey and Mr. James F. McHugh, as well as the memorandum setting up this hearing.

[Material referred to follows:]

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STATEMENT OF HON. BILL BRADLEY, A U.S. SENATOR FROM THE STATE OF NEW JERSEY

MR CHAIRMAN, I appreciate the opportunity you have provided today to allow me to express my views on the Administration's proposed marine sportfishing license.

In his fiscal year 1987 budget, the President proposed a Federal ocean sportfishing license of $10 minimum per angler. The Federal Government would use the revenues generated by this license fee for deficit reduction.

The Administration argues that since recreational fishermen benefit from Federal maintenance of our coastal resources, and sport fishermen place a high value on coservation of marine fisheries, they should bear some of the cost of administering Federal services which support recreational fishing.

When I became aware of this provision in the President's budget, I sent a letter to all coastal state senators, urging them to join me in opposition to this proposal. Eight Senators joined me in sending a letter of protest to Secretary Baldrige. We said that when we can identify special recipients of a specific Federal service, it may be appropriate to ask them to help pay the cost of maintaining these services. However, in this case, the National Marine Fisheries Service received less than $3 million to support recreational fishing in fiscal year 1986, while the Administration proposes to raise $200 million over 5 years through the license program. Clearly this is a burden on fishermen far beyond that which the Federal government requires to cover its service. Furthermore, the salt water fishermen already pay a Federal excise tax on fishing tackle, boating equipment, and marine motor fuel. Revenues raised by this excise tax of 10 percent paid by salt and fresh water anglers are not redistributed evenly. Most inland states have hatcheries to stock freshwater streams, and well-run management programs. But little is done to benefit the salt water fishermen with this money.

Our letter to Secretary of Commerce Baldrige put the Administration on notice that we would oppose his license fee proposal. I would like to submit a copy of our letter for the Committee's record.

MR CHAIRMAN, As you know the House and Senate budget bills differ on the issue of the license fee. I have contacted all the Budget conferees urging them to reject this license fee in reacing a compromise on the budget bill. Senator Lawton Chiles, a co-signer of our original letter to Secretary Baldrige and the ranking member of the Senate Budget conferees, has indicated to me that the license fee is unacceptable to him. Senator Chiles is working in the conference to remove the fee. I hope his efforts are successful.

MR. CHAIRMAN, I urge you to reject this license fee, proposed to generate revenues to reduce the Federal deficit. Reducing the deficit is a most difficult and important task. However, imposing an unfair burden on a small group of Americans is not the appropriate course.

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STATEMENT OF JAMES F. MCHUGH, HAMPTON, VA

Although these comments have been prepared without the opportunity to read and digest the proposal for the implementation of Federal marine recreational fishing license, there can be no doubt that the very concept is ill conceived. While it is recognized, and agreed, that the Federal deficit should be reduce, and, at the same time, there is a dire need for funding to support the scientific effort necessary for the adequate conservation and management of our marine resources, this proposal will not adequately or effectively accomplish either objective. Preliminary, however, to any considerations of the effectiveness of such a proposal, it is my opinion that the subject should be reviewed for its legality, and then for the soundness of its revenue projections.

Section 303(b)(1) of the Magnuson Act provides that a fisheries management council may require a permit as part of a fishery management plan, "(F)or any vessel of the United States fishing, or wishing to fish, in the fisheries conservation zone". However, Section 304(d) states, "The level of fees charged under this subsection shall not exceed administrative costs incurred in issuing the permits." These provisions of the Magnuson Act, at least, raise several serious questions. For example:

1. Does the Administration intend to implement its proposal without concern for the provisions of the Magnuson Act?

2. If so, how does this affect any future use the Councils might choose to make of Section 303(b)(1)? And how will this proposal apply to those states which already have a requirement for a marine recreational fishing license?

3. If the Administration's proposal is intended to be implemented within the frame work of the Act, how can a $10 fee be justified in terms of the provisions of Section 304(d)?

4. If the Administration's proposal will function within the terms of the Act, can the proposed assessment be levied on individuals when Section 303(b)(1) clearly states "vessels"?

5. How can the concept of a recreational fishing license for the FCZ be reconciled with the provisions of Section 301(a)(4)(A), since the license would, in effect, exact a fee from the marine recreational fishery for "fishing privileges", without a comparable fee for "privileges" being exacted from the commercial fisheries?

The joint letter of Mr. Jones and Mr. Carney, dated May 29, 1986, states that the estimated revenues to be generated by the proposed policy would be, "$20 million, $30 million, and $50 million in each of Fiscal Years 1987, 1988, and 1989 respectively." It is not clear whether this estimate is the gross revenue generated or the anticipated net revenue to the Federal General Fund. In either case, and based on the best available, current data, these estimates seem grossly exaggerated.

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Assuming that any successful effort of the Administration to impose a license on the salt water recreational fishery would apply only to fishing activity beyond the 3 mile Territorial Sea, we reply on the NMFS, "Marine Recreational Fishing Statistics Survey, Atlantic and Gulf Coasts" (1983-1984) for our evaluation. That document shows an estimate of 8.8 million salt water anglers in these regions. Other data in this report indicates that only 27%, or 2.4 million anglers fish beyond the Territorial Sea, in the FCZ. The Federal share would then amount of one-half of $24 million, of $12 million. I find it difficult to conceive that the inclusion of the West Coast census would come up with the 1.6 million anglers fishing beyond the 3 mile limit necessary to support the Administration's estimates.

While there is, admittedly, some speculation and uncertainty involved in these estimates, the relative stability of the marine recreational fishing population, as reflected in the NMFS reports since they began collecting this data in 1979, certainly indicate that the projected 1989 revenue estimate of $50 million is pure blue sky.

Continuing to assume that any Administration sponsored salt water recreational license would apply only to the oceans beyond the Territorial Seas, there arises the practical question of enforcement. Although it may be assumed that the States will become party to the responsibilities by virtue of sharing in the $10 fee, it is equally valid to assume that a State will not with to participate. How, then, will the assessment be collected, and who will enforce the requirement? If, in fact, there is a mechanism for assured collection of the $10, and if the State is willing to allow the entire fee to revert to the Federal Treasury, I fail to understand how the State could be responsible for enforcement. I would bring to your attention the fact that the NMFS Enforcement Branch, for the Northeast Region, has a total allowance of 27 enforcement officers, and a present staffing of 25 people, with only 17 in the field responsible for Federal fishery regulations from Maine to North Carolina. I don't believe that any other Region is in much better shape.

In their letter of May 29th, Mr. Jones and Mr. Carney requested comments on (1) equity, (2) administration and enforcement, and (3) alternatives to the proposed system. With regard to the question of equity, it is quite obvious that there is none if the commercial fisheries are not included on a pro-rata formula based on removals from the resources. In the calculation of these removals, the commercial estimates should include the foreign and domestic harvests of both edible and non-edible species, as well as non-recreational targets such as squid, dogfish, and menhaden. The justice in this proposal lies in the fact that these species are prey fodder, in the food chain, upon which recreational target species rely, and the availability, or lack thereof, may well affect the abundance of recreational targets. In the matter of equity as related to fresh water fisheries managed or supported by the Federal government, an entirely different matter arises. In the first place, it is my understanding that every State presently has in effect a fresh water fishing license. Should there be a Federal surcharge? Perhaps.

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The obvious difference is that the Federal government supports an extensive hatchery, and stocking activity for fresh water species. I have no knowledge of if, or how, the various States contribute to the support of these Federal efforts. I do know, however, that no conceivable number of Federal hatcheries, or no amount of Federal effort could ever provide adequate replenishment for the ocean fisheries. From this perspective, then, I do not believe there is any question of equity, because I think as between fresh water and salt water recreational fishing we are talking apples and oranges.

Any discussion of "equity" requires a whole other aspect of this proposal to be thoroughly examined. That is the question, "What may the recreational salt water angler expect for his money?" At the present time, and in addition to the 10$ excise tax the angler pays on his fishing equipment under the Wallop-Breaux legislation, he is subjected to sales taxes, personal property taxes on boats and trailers, fuel taxes, and other revenue generating schemes from which he derives only a partial return benefit to the effective pursuit of his activity, or to the enhancement of the resource. Even his Wallop-Breaux contributions have been subjected to the provisions of Gramm-Rudman cutbacks. Even if the enabling legislation for this proposal were to contain a provision that the collected funds would be returned to a specific agency or account, what continuing assurance is there that such a provision would continue to prevail? I would point out that Section 204(b)(10) of the Magnuson Act originally was originally intended to help support the conservation, management, administration, research, and enforcement necessary to the effective implementation of the Act. Yet later Congressional amendments directed that all such revenues be transferred to the fisheries loan fund, where they presently are to be found in the accumulated amount of some $200 million while research, enforcement, and administration funding for conservation and management under the Act is being cut to the bone. What assurances can be offered that funds accumulated under this proposed scheme would not suffer a similar fate in two years, or five?

My response to the question of enforcement has been made. As a member of the Mid-Atlantic Fishery Management Council I can say with certainty that the prospective enforcement problems would be totally unmanageable, were there to be direct Federal involvement in a licensing scheme. At the present time State participation in the enforcement of Federal fishing regulations results from contractual arrangements between the various States and the Federal government for which the participating States receive additional erforcement funding from the Federal government. Not all States participate in the program. In addition, we presently understand that, due to budget cuts, it is highly questionable as to whether the Federal government will be able to continue this program with the States that are presently participating. It is my opinion that, if this program were to be enacted, the States, if they participated at all, would want something in excess of the 50% split to enforce measures applying to the FCZ.

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Are there alternative systems that could be used to offset the Federal cost of fisheries conservation and management? Given certain basic understandings, certainly there are. However, as is the case in so many other situations, we have the habit of looking for new tools before we have adequately evaluated and used the tools we have available. For example, I would again direct your attention to Section 204(b)(10) of the Magnuson Act. This section also sets out the formula by which foreign fishing fees are to be computed by the NMFS. The formula includes the words, "(A)nd the territorial waters of the United States". If the Act were to have been amended to delete that phrase, the 1984 revenues from foreign fishing in our FCZ would have been increased by an estimated $45 million, at a cost of less than 3 cents per pound to the foreign fishermen. Of course, the conservation and management of the fisheries would have derived no benefit from this increase, since the rest of this subsection would have required that it be added to the loan fund account as an increment to the idle $200 million already residing there.

My point is that we should take a hard look at the provisions of the Act in the light of what the Legislative History indicates the Congress intended to do. If I read that volume correctly, the 1976 Congress visualized the implementation of the Act to be largely self-supporting. During the debate on the floor of the House Mr. Leggett, in citing the highlights of the bill, stated, as one, "The authorization for the charging of reasonable Federal license fees for all those fishing within the zone, including American fishermen, the proceeds of which will be earmarked for stock assessment and research". Yet, in the 10 years the Act has been in effect the NMFS has never provided the Councils with an adequate definition of exactly what might be the "administrative costs" alluded to in Section 304(d), nor have they proposed any amendments to the Act which might expand that subsection to allow the Councils to consider charging fees for the removal of a common property resource. Now, as if reacting to some divine revelation, the Administration has discovered a potential of $20 million to $50 million mother lode in the recreational fisheries which would solve the problem. Where is the logic? Where is the justification? Perhaps it might have been found in Mr. Leggett's statement 8 years ago, but it seem to me, the track record must certainly fails to support the present intention.

Current budget information discloses a present intention to implement sharp reductions in established, Federally funded State fishery management and research programs, as well as essential Federal responsibilities for data collection, research, and enforcement. The manner, size, and direction of these proposed reductions seem to reflect a failure of the Administration to understand that our marine resources are as much in need of continuing management and oversight as are our timber and grazing land assets. Somebody has got to do it. A portion can only be done by the Federal government. Much can be done by the States. For the purpose of this discussion suffice it to say that the States are better equipped to implement, administer, and enforce a marine recreational license than is the Federal government. Quite aside from these organizational capabilities, I would suggest that,

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politically, the Administration has gotten off on the wrong foot, if they are making their proposal under the impression that it will be accepted complacently in the recreational fishing community. As it has been publicized, it is the perception amongst anglers that it is nothing more than a means of raising funds to reduce the national debt. As such, it will meet with vehement opposition as it moves through the Congressional process. If, by some parliamentary manipulation, the thought becomes a fact, I am reluctant to forecast the consequences.

In my opinion, the first necessity to persuading the recreational fisherman to the idea that a license is desirable, is to be up front with a draft piece of legislation that tells him exactly what he is going to get for his money. He wants dedicated funds, a say in how they are going to be used, and a fixed ceiling on administrative costs of a licensing program. Given these certainties, the cost of the license is a secondary consideration. In these matters I speak from personal experience in my own State of Virginia, where close to 50% of the recreational angling community supported the concept of a license, but where the General Assembly lost a golden opportunity to implement one because they went to public hearings without a draft piece of legislation. I further believe that the only way the Congress can participate in the process of eventually licensing anglers would be to legislate a model bill, to be implemented by the various States within a 3 or 5 year period, in the same manner as was done years ago with the boat registration act. Such action would eventually relieve the Federal government of the need to support a number of the present State/Federal programs with some confidence that the work they require would be continued.

In closing I would like to state that I do not want to leave the impression that any of my remarks addressing the flaws in the present Administration proposal, if corrected, would make the plan more palatable. I do not believe that the Administration's idea is either sound, or acceptable in any modification of its present form.

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U.S. House of Representatives
Committee on
Merchant Marine and Fisheries
Room 1334, Longworth House Office Building
Washington, DC 20515

MEMORANDUM

TO: MEMBERS, COMMITTEE ON MERCHANT MARINE AND FISHERIES

FROM: WALTER B. JONES, CHAIRMAN, WILLIAM CARNEY, RANKING MINORITY MEMBER, SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

RE: OVERSIGHT HEARING ON THE PROPOSED FEDERAL SPORT FISHING FEES

DATE: June 16, 1986

On Thursday, June 19, at 10:00 a.m. in Room 1334 of the Longworth House Office Building, the Subcommittee on Oversight and Investigations will conduct a hearing to consider the issues surrounding the President's proposal for a Federal marine recreational fishing fee. All Committee Members are invited to attend. Testimony will be received from Members of Congress, representatives of commercial and recreational fishing organizations and Federal and State governmental agencies.

Background

In his Fiscal Year 1987 budget, the President proposed an "ocean Federal sportfishing license of $10 minimum per angler." The proposal envisions that "each coastal State would issue the license in conjunction with its freshwater (or other) fishing license program." Participating states "would provide $5 of the license fee to the Federal Government and could assess an additional amount to recoup the costs of administering the license program and to recover costs of fishery management by the State." To date, the Administration has not officially transmitted a formal legislative proposal to the Congress.

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In addition, the first concurrent budget resolution passed by the House, H. Con. Res. 337, assumes that the Committee on Merchant Marine and Fisheries will report legislation which would implement the President's proposal. The budget resolution assumes, as does the President's proposal, that the $10 license fee would result in receipts of $20 million in Fiscal Year 1987, $30 million in Fiscal Year 1988, and $50 million in Fiscal Year 1989. The Senate budget resolution does not contain a similar provision. The fate of the proposal is yet to be determined by the House-Senate Conference Committee. In the Senate, Senator Lautenberg of New Jersey has introduced legislation, S. Res. 405, which expresses the sense of the Senate opposing the President's proposed Federal marine recreational fishing fee.

The issue of a Federal marine recreational fishing fee is not new. In the 1st and 2nd Sessions of the 98th Congress, Congressman Sawyer of Michigan introduced legislation, H.R. 2965 and H.R. 4778, to establish a uniform State marine recreational fishing license. This legislation was referred to the Committee on Merchant Marine and Fisheries; however, no hearings were held on this legislation and it was not reported out of Committee.

Issues

The President's proposal raises several issues which Members may wish to pursue at the hearing. These issues fall into the following categories:

(1) Equity -- The President has proposed imposing a fee on sport fishermen but not commercial fishermen, on marine anglers but not freshwater anglers. Is this equitable? The President has justified his proposal by calling it a user fee; however, only marine recreational fishermen are being singled out for a user fee. The Federal receipts generated by the licensing program would be deposited in the General Fund of the U.S. Treasury, not in an account dedicated to sport fishing; therefore, there is some doubt whether this should be called a user fee.

Currently, sport fishermen pay a Federal excise tax of 10 percent on most sport fishing tackle as well as 3 percent on sonar fish finders and on electric trolling motors. These receipts are deposited into the Sport Fish Restoration Account of the Aquatic Resources Trust Fund, commonly known as the Wallop-Breaux Trust Fund. This fund was created in 1984 when the Boating Safety and Sport Fish Enhancement Act was enacted. Monies in the Sport Fish Restoration Account are used in the Federal Aid in Sport Fish Restoration (Dingell-Johnson) Program. These monies are administered by the Department of the Interior and allocated to the States as matching grants (75 percent Federal and 25 percent State) to support marine and freshwater management, research, and support for recreational fishing. The amount of money each State receives annually is based on the State's surface area and the number of sport fishing licenses

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sold in that State. The states are required to allocate the monies for marine or freshwater fishery projects based on the ratio of the number of marine anglers relative to the number of freshwater anglers.

In addition to the excise taxes on fishing tackle, sport fishermen who use motorboats pay a $.09 per gallon tax on motorboat fuels. Together these taxes amounted to a total contribution of $122,167,378 into the Aquatic Resources Trust Fund in 1986. It should also be noted that the President, in his Fiscal Year 1985 budget proposal, attempted to eliminate the permanent appropriation for the Sport Fish Restoration Account and to withhold two-thirds of the Fiscal Year 1986 appropriation from the Account. The Congress successfully blocked this proposal.

(2) Constitutional/Policy -- The majority of the fish caught commercially off the coast of the United States are taken in State waters (0 to 3 miles offshore). In 1984, commercial fishermen caught approximately 4.16 billion pounds of fish in State waters and approximately 2.56 billion pounds in Federal waters (3 to 200 miles offshore). The same pattern is reflected by recreational fishermen, who in 1982 caught 208 million fish in State waters and 64 million fish in Federal waters. Since most fish are caught in State waters, perhaps such a licensing program is better left to the discretion of the States on an individual basis.

The American Law Division of the Congressional Research Service (CRS), after an informal review of the proposal, indicated that it may violate Amendment X to the U.S. Constitution which states: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." Federal legislation mandating the States to enact legislation to implement the President's proposal may violate this Amendment. However, to the extent that fishery resources are interjurisdictional in nature, they may be brought under Federal management by virtue of the interstate commerce clause of the Constitution.

(3) Implementation and Enforcement -- How would this policy be implemented, especially for States that have a marine fishing license in place? There are currently seven coastal States which have a saltwater recreational fishing license for residents and non-residents. The States which require a saltwater license are: Alaska, California, Louisiana, Maryland (for the Chesapeake Bay only), Oregon, Texas, and Washington. Alabama has a saltwater recreational license for non-residents only. Presumably these States would have to raise their license fee by $5 and then return the additional proceeds to the Federal Government.

If Congress were to approve this legislative proposal, could it be accomplished quickly enough to be in place to raise $20

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million in Federal revenue in Fiscal Year 1987, as assumed by the budget resolution? Many State fisheries agencies do not have authority to administratively change or implement regulations of the type envisioned by the President's proposal. It is far more usual for such authority to be vested with the State legislatures; therefore, many States may have to pass enabling legislation to bring themselves into compliance. Given this situation, it may be difficult, if not impossible for many States to put such a program in place for Fiscal Year 1987.

If this policy is implemented, it may be difficult to enforce. If enforcement takes place at dockside, how will enforcement officials know if a fisherman's catch came from Federal or State waters? Enforcement at sea will require the allocation of additional and scarce resources by the National Marine Fisheries Service (NMFS), the Coast Guard, and presumably the States themselves. No cost estimates are available for at-sea or dockside enforcement needs.

(4) Funding and Economic Considerations -- The Reagan Administration has consistently sought to reduce funding for fisheries management and enhancement programs. The President's proposal seeks to raise revenues, presumably to offset Federal support for recreational fishing activities, at the same time the President has proposed reductions for these programs on the order of 35-40 percent anually. The attached graph, prepared by NMFS, reflects the trend in funding for fishery programs of the NMFS over the past 10 years, including the potential effect of the President's FY '87 budget proposal on these programs.

According to NMFS officials, it is impossible to determine how much of their budget supports recreational fishing as opposed to commercial fishing because of program overlap and accounting practices; however, this information would be very useful if an equitable fee were to be levied.

The President in recently announcing National Fishing Week from June 2-8, 1986, recognized the importance of commercial and recreational fisheries in the United States. Fishing generated $27 billion in economic activity and employed approximately 900,00 people in 1985. However, no studies have apparently been performed to predict what impact, if any, the implementation of this proposal may have on the fishing industry, related peripheral businesses, and local economies.

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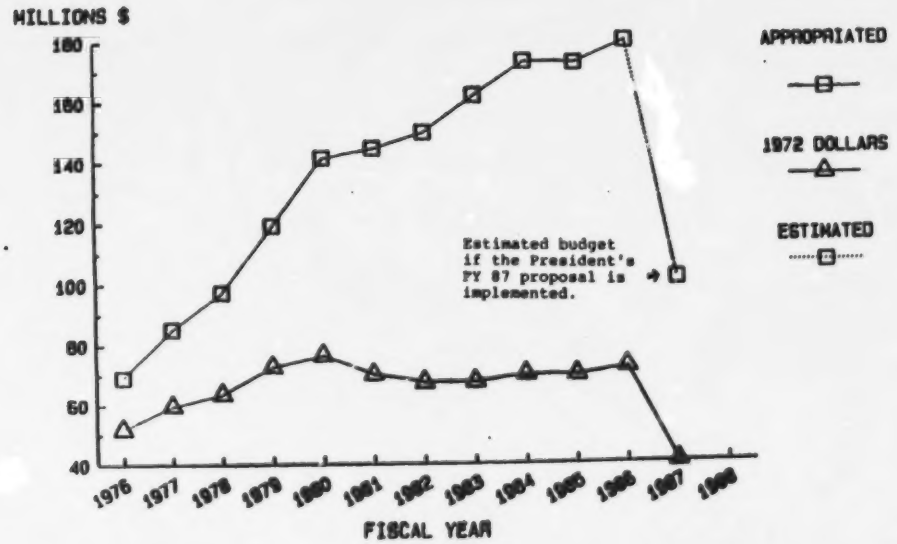
Graph prepared by the Office of Policy and Planning, National Oceanic and Atmospheric Administration

AGENCY FUNDING TRENDS



Mr. JONES. The Chairman will conclude by saying that in his many years in the Congress, never have I observed so much opposition to a bill that hasn't been even introduced. [Laughter.]

I think it's very healthy, and if downtown doesn't get this message, then it must be deaf, dumb, and blind.

With that, the Chair declares the committee adjourned.

[Whereupon, at 12:55 p.m., the subcommittee was adjourned.]

[The following was submitted for the record:]

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CHIEF COUNSEL
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MINORITY STAFF DIRECTOR
GEORGE E. PERRY

U.S. House of Representatives
Committee on
Merchant Marine and Fisheries
Room 1334, Longworth House Office Building
Washington, DC 20515

June 23, 1986

Dr. William T. Hogarth
Director
Division of Marine Fisheries
North Carolina Department of Natural
Resources and Community Development
P. O. Box 769
Morehead City, North Carolina 28557

Dear Dr. Hogarth:

I would like to thank you for your testimony at the Subcommittee on Oversight and Investigations hearing on the President's proposed marine sportfishing license held on June 19, 1986. Your comments on how the President's proposal would affect the State of North Carolina were very helpful. However, because of the length of the hearing, I was unable to pose several questions which I am now submitting to you in writing:

1) Approximately how much would this proposal cost the State of North Carolina to implement?

2) Based on your testimony, it appears that new State laws would be needed to implement a Federal marine sportfishing license program in North Carolina. How quickly could the North Carolina State Legislature act on the President's proposal?

3) What services does the Federal Government provide in the marine fisheries area that would justify a Federal marine sportfishing fee being charged?

4) If the President's proposal were enacted, would North Carolina's Federal funds under the Dingell-Johnson program increase or decrease?

5) If the Congress were to legislate a new Federal marine sportfishing license, what elements should the Congress include in such legislation?

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6) What would be the State of North Carolina's reaction to a Federal law that reduces the Federal Dingell-Johnson payment to a State which fails to enact a saltwater sportfishing license?

Please respond to these questions as soon as possible but no later than July 3, 1986, so that your answers can be included in the hearing record.

With best wishes, I am

Sincerely,

WALTER B. JONES
Chairman

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RECEIVED
JUL 3 1986
COMMITTEE ON MERCHANT MARINE AND FISHERIES

State of North Carolina
Department of Natural Resources and Community Development
Division of Marine Fisheries
P.O. Box 769 • Morehead City, North Carolina 28557-0769

ımes G. Martin, Governor
. Thomas Rhodes, Secretary

William T. Hogarth, Director
(919) 726-7021

July 2, 1986

The Honorable Walter B. Jones
U.S. House of Representatives
Committee on Merchant Marine and Fisheries
Room 1334, Longworth House Office Building
Washington, DC 20515

Dear Congressman Jones:

With regard to your recent letter (June 23, 1986) concerning the President's proposed marine sportfishing license, the Division of Marine Fisheries offers the following comments:

(1) A review of our commercial fishing license records indicate that it cost $4.15 per license to administer the 36,167 licenses issued in 1985. The initial year of a new sportfishing license will definitely cost in excess of $4.15 per license. Subsequent years cost may be less. It is also estimated that ten to twelve new law enforcement officers will be required to handle the additional work load associated with the proposed recreational license checking fishermen and boats for compliance in 2.2 million acres of estuarine waters with a 300 mile ocean shoreline. Twelve additional officers fully equipped at $45,000 the first year plus $4.15 per license for administrative charges would amount to approximately $1.4 million for the expected 200,000 licenses. A minimum of $12 per license ($7 State, $5 Federal) would be required to break even the first year.

(2) Article 6, Section 9 of the North Carolina Constitution prohibits State enforcement officers from holding dual office unless provided for by Statute. At present, G.S. 113-138 provides for conferment of State law enforcement powers on employees of the National Marine Fisheries Service; however, the converse of this is not true. An amendment to G.S. 113-138 would be required for State officers to take on federal powers. If deemed appropriate by the North Carolina General Assembly, this could be considered during the 1987 Session (February through July).

(3) Federal management plans for species of considerable interest to recreational fishermen are implemented by the Federal Government. These plans involve species such as reef fishes,

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billfish and king mackerel in the Fisheries Conservation Zone. National Marine Fisheries Service conducts research and data collection programs aimed at improvement of management of fisheries resources of interest to anglers. They also provide input on fisheries habitat protection issues. These services are already being provided through existing base funds and could justify a federal marine sport license only if such services were increased and improved proportionally.

(4) Dingell-Johnson considers two items in it's formula, numbers of licensed anglers and water area. A license system would identify the numbers of saltwater anglers in North Carolina; however, similar identification would take place Nationwide, so North Carolina's Dingell-Johnson funds could decrease or increase.

(5) Funds accruing to State and Federal Governments from a Federal marine sportfishing license should be dedicated to marine fisheries management (research, monitoring, statistics, enhancement, education and enforcement).

(6) North Carolina would be opposed to such a law because it would likely be interpreted as a ploy to force the State to implement a marine sportfishing license. Anglers from all States contribute to the Dingell-Johnson program and should have the opportunity to benefit from an expanding marine sportfishing program dependent on these funds. Taxes for the Dingell-Johnson fund would continue to be collected from residents of North Carolina and from residents of non-coastal states that participate in North Carolina's marine recreational fishery. If a Federal law were to require a State marine angling license in order to receive full Dingell-Johnson funding, North Carolina could well lose such funding with resultant negative inpacts on programs benefitting resident and visiting marine anglers. The decision to require a North Carolina marine sportfishing license can be made only by the General Assembly, and that body's reaction to Federal pressure cannot be predicted.

If further information is required, please feel free to contact me.

Sincerely yours,

William T. Hogarth, Ph.D.
Director, Div. of Marine Fisheries

/jtg

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MID-ATLANTIC FISHERY MANAGEMENT COUNCIL

ROOM 2115 FEDERAL BUILDING
300 SOUTH NEW STREET
DOVER, DELAWARE 19901-6790

TELEPHONE [redacted]

[redacted]
Chairman

[redacted]
Vice Chairman

[redacted]
Executive Director

1 July 1986

The Honorable Walter B. Jones, Chairman
Committee on Merchant Marine and Fisheries
U. S. House of Representatives
Room 1334, Longworth House Office Building
Washington, DC 20515

The Honorable William Carney
Ranking Minority Member
Subcommittee on Oversight and Investigations
U. S. House of Representatives
Room 1424, Longworth House Office Building
Washington, DC 20515

Dear Congressmen:

Thank you for the opportunity for the Mid-Atlantic Fishery Management Council to address the critical issues identified by the Committee on the proposed federal marine recreational fishing fee, as well as other issues of Council concerns.

We have received comments from many of the Council members and the following comments represent the collective view of those responding:

1. Equity. The marine recreational angler presently pays tax on almost every item he uses in pursuing his sport (Dingle-Johnson, Wallop-Breaux Acts). The funds collected under these Acts are continually being sought by OMB for use in the general budget.

   Not only is the licensing solely of recreational fisherman not equitable, but the collection of a user fee and placing the funds in the general fund is even more inequitable.

   To be equitable any licenses should cover all areas where the fish can be taken and all user groups. This, of course, presents a jurisdictional problem that we believe should be worked out with the states since they currently control responsibility for two of the three marine fishing areas (inland marine waters and territorial sea). A simple extension of the proposed federal license to state waters would then place the Federal Government in control of effort without the concurrent assumption of the responsibilities and expenses now borne by the states. We would find this to be most objectionable.

   The identification and enforcement is further complicated by the area of marine fishing: state internal waters, state territorial sea, federal waters (EEZ). One could expect most species to be taken in the area where a license is not required or, at least the claim made that they were taken outside the license area.

2. Administration and Enforcement. If there is to be a program the states should be the ones to issue the licenses and perform the enforcement. This should be closely coordinated with the states as their participation would be voluntary. It is our belief that the cost of administration and proper enforcement would reduce the net revenues to near, if not, zero.

   Some problems that would be encountered in requiring a marine recreational license would be identification and enforcement. How does one identify the marine recreational anglers to ascertain general compliance? To assure compliance with the proposal would require an enforcement agent at every dock. The license would not generate sufficient revenue to cover the expenses.

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3. Alternatives. A tax on all fishing gear (including boats), as well as fuel, would probably be the most effective way of applying the user fee concept. However, if the concept is to receive support from fishermen the funds must be dedicated to the support of the user activity as well as carry the general provision that present fishery funds would not be reduced as a result of the user fee. A user fee that is dedicated would generate additional revenue through increased participation brought about by resource improvement as a result of proper utilization of the fee.

   No user group should be taxed for the benefit of the general fund, either directly through placing the fee in the general fund or indirectly by reducing present general fund expenditures and replacing them with the user fee funds.

Our Council can see the wisdom in, and does not categorically reject, the user fee concept, but does strongly oppose the imposition of a special tax or fee on a select group as a means of increasing general fund revenues or reducing general fund expenditures. Any user fees should be used to provide additional resource improvements or other aids to the participants from whom the fee is collected.

Should your Committee decide to pursue a user fee for fishermen, we would appreciate the opportunity to work with your staff to assist in the preparation of an equitable proposal.

Sincerely,

John C. Bryson
Executive Director

JCB/maz

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SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL

1 SOUTHPARK CIRCLE, SUITE 306 CHARLESTON, SC 29407-4699

TELEPHONE (803) 571-4366

ROBERT K. MAHOOD EXECUTIVE DIRECTOR

C. DUANE HARRIS, CHAIRMAN
ONEIL SANDERS, VICE-CHAIRMAN

June 26, 1986

Mr. John Dentler
Committee on Merchant Marine and Fisheries
Room 1334, Longworth House Office Building
Washington, DC 20515

Dear Mr. John Dentler:

This letter is in response to the May 29, 1986 letter from Mr. Jones and Mr. Carney requesting the Council to comment on the Administration's proposal to establish a federal marine recreational fishing fee.

At its June meeting, the South Atlantic Fishery Management Council addressed the issue of a federal recreational fishing fee. There was absolutely no support for the Administration's proposal. It was the concensus of the Council that the states, not the federal government, should be establishing marine recreational fishing licenses. It was also the feeling of the Council that the manner in which the Administration is addressing this issue (i.e. trying to generate revenues for deficit reduction) is counter-productive and detrimental to the states' efforts to establish saltwater licenses.

Because of the Council members' strong belief that establishing and implementing recreational saltwater fishing licenses should be a state initiative, they did not discuss (1) equity, (2) administration and enforcement, and (3) alternatives in the context of a federal license. They did, however, point out the states have historically established and administered licenses for freshwater fishing, commercial fishing, and hunting in a manner equitable to all resource user groups.

In the South Atlantic Fishery Management Council's area of jurisdiction, the proposed federal marine recreational fishing fee is unacceptable to saltwater fishermen, fishing organizations, and the states. The Council strongly opposes the Administration's plan and recommends that your Committee not support any forthcoming legislation to establish this program.

We thank you for the opportunity to comment on the proposed marine recreational fishing fee. If we can provide any further information, please contact us.

Sincerely,

Bob

Robert K. Mahood
Executive Director

RKM/mca

cc: Council Members

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GULF OF MEXICO FISHERY MANAGEMENT COUNCIL
Lincoln Center, Suite 881 • 5401 W. Kennedy Blvd.
Tampa, Florida 33609 • Phone: 813/228-2815

June 27, 1986

The Honorable Walter B. Jones and
The Honorable William Carney
Attention: Mr. John Dentler
Subcommittee on Oversight and Investigations
U.S. House Committee on Merchant Marine and Fisheries
Room 1334, Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Dentler:

In response to your query concerning a federal marine fishing license fee we polled our Council because we do not meet within the response period you requested. Only six of our twenty-one members submitted comments, and five of those are officials of state conservation agencies. Two federal members abstained from commenting.

The following comments summarize the responses received to date:

1. All respondents opposed the concept of federal licensing of fishermen. Most felt this is a state responsibility, and several Gulf states already require recreational and commercial licenses for fishing in marine waters.

2. Most felt that if such license is imposed it should apply to recreational and commercial entities though the commercial application could be in the form of a vessel license.

3. Most respondents felt the license, if implemented, should apply only to marine waters.

4. Responses to whether or not the license should also apply to state waters were about equally divided pro and con.

5. Most respondents believed that state offices are more accessable and contractual arrangements could be made for state to administer distribution of the license programs.

6. Opinions on who should enforce license requirements were mixed.

7. Respondents believed that any federal license should be a universal license, or that a license holder should be allowed to fish in the marine waters adjacent to any state.

8. Suggested alternative measures to using a license to generate revenue were varied. Excise taxes (Wallop-Breaux) are already being levied on the fisherman. All would be more comfortable with earmarking all generated revenue for fishery research and management.

9. The whole concept of a federal fishing license preempting the state programs as a method of generating general revenue was distasteful to all respondents. There were few suggestions for equitable alternatives other than the states do not wish to become involved in a scheme to generate federal general revenue.

10. Most respondents believe that a federal licensing program should not preempt existing state programs.

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11. Most state agencies indicated that they would submit agency comments separately.

In summary those Council members responding to the query believed the proposed legislation had little merit.

Sincerely,

Jerome K Leary for

Wayne E. Swingle
Executive Director

WES:djm

cc: Gulf Council
Staff

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CARIBBEAN FISHERY MANAGEMENT COUNCIL
Suite 1108 Banco de Ponce Building • Hato Rey, Puerto Rico 00918-2577

Telephones: FTS (809) 753-4926, 753-4927, 753-4928, Comm. (809) 753-6910

July 1, 1986

RECEIVED
JUL 7 1986
COMMITTEE ON MERCHANT MARINE AND FISHERIES

Hon. Walter B. Jones
Chairman
Subcommittee on Oversight and Investigations

and

Hon. William Carney
Ranking Minority Member
Subcommittee on Oversight and Investigations
Committee on Merchant Marine and Fisheries
Room 1334, Longworth House Office Building
Washington, DC 20515

Dear Congressmen Jones and Carney:

We appreciate very much the opportunity you have given us to provide inputs on the Administration's proposal to establish a federal marine recreational licensing fishing fee.

Your letter was considered by the Council's Administrative Subcommittee in a meeting that was held on Thursday, June 26, 1986, and the comments that we are presenting below represent the unanimous feeling of the Subcommittee. The State Governments (Puerto Rico and the U.S. Virgin Islands) representatives to the Council are members of the Subcommittee and were present at the meeting.

In view of the absence of proposed legislation, our comments and suggestions are solely based on the points mentioned in your letter.

The group was unanimously in agreement that the federal mandatory licensing of marine recreational fishermen, with no other apparent objective than the collection of funds to cover budget deficits, is beyond the expectations of the Council in terms of the proper management and conservation of the stocks. We recognize a need of implementing licensing systems in certain instances, but with a clear definition of their scope and acceptance of the objectives pursued.

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The unanimous position of the group regarding your specific questions could be summarized as follows:

(1) Equity:

a. Because of the reasons previously stated, the Subcommittee does not favor a federal and/or state licensing system at this moment, neither for recreational nor for commercial fishermen.

b. A federal licensing system should not be established for fresh water sport fisheries under any circumstances. This should be strictly a state responsibility.

c. If a federal licensing system is established, it should be limited to federal waters (EEZ). States feel reluctant to have the intervention of the Federal Government in their waters on an issue that has been traditionally handled by state governments.

(2) Administration and Enforcement

a. and b. If in spite of the previously mentioned a federal licensing system is established in the EEZ, then the system should be implemented and enforced by the Federal Government. In respect to these questions, some related issues surfaced, such as:

- o If the licensing system is established for the EEZ only, but to be managed by the coastal states, under what authority could state governments issue federal licenses?
- o Who will be responsible for enforcement?
- o If it is a federal licensing system administered by the coastal states, will federal or state penalties apply in case of violations?
- o We feel that a federal license holder will need concurrence by the pertinent state to fish in the marine waters adjacent to that state, if by "adjacent" waters we are referring to the territorial sea.

(3) Alternatives

a. Your first question asked for other systems that could be used to offset the federal cost of fisheries conservation and management. The reaction of the Subcommittee to this was that the problem of inadequacy of

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funding for fisheries conservation and management stems from the fact that part of the funds assigned for this purpose are being diverted to other uses. This is the case, in the way of an example, of the Coast Guard. Everybody agree that the Coast Guard should be properly funded to allow them to continue their excellent performance in terms of search and rescue operations, drug smuggling control, boat safety enforcement, etc. However, the Subcommittee has become aware that some of these activities are being paid with funds provided by Congress for fisheries enforcement. Therefore, the Subcommittee recommended that the situation be examined by the pertinent office to insure the correct distribution and utilization of funds appropriated for fisheries conservation and management.

b. You inquired if a system should be established that would return funds to a specific agency or account rather than to the General Fund of the U.S. Treasury. The group was skeptical that the idea would work as there is no guarantee that once the funds are collected they will be used for the specified purposes. However, the group supported that if the idea of assigning the funds to a specific agency or account is adopted, it should operate on a trial basis for a period of two or three years.

Related Issues Particular to this Area

In the case of U.S. Virgin Islands, a substantial segment of the big game recreational fishing is conducted outside the ZEZ, that is, in international waters (mainly waters under the jurisdiction of the British Virgin Islands). The Subcommittee feels that this will present a particular situation that should be considered if a federal mandatory licensing system for recreational anglers is established.

Other questions that surfaced during the meeting were: How will the situation of international tournaments, with the participation of different countries, be handled? In the case of charter boats, how will the licensing requisite be applied? Will it be the responsibility of the charter boat operator to provide himself of a license for each customer or will the license requirement apply only to the fishermen on board?

Thank you once more for the opportunity of providing you our points of view on these important issues.

Sincerely yours,

César Muñoz-Hoare
Executive Director

/rr

cc: Hon. Jaime Fuster
Hon. Ron de Lugo
CFMC Members

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NEW ENGLAND FISHERY MANAGEMENT COUNCIL
Suntaug Office Park
5 Broadway, Route 1
Saugus, Massachusetts 01906

RECEIVED
JUN 18 1986
COMMITTEE ON MERCHANT MARINE AND FISHERIES

June 9, 1986

Honorable Walter B. Jones, Chairman
Subcommittee on Oversight and Investigations
Committee on Merchant Marine and Fisheries
U.S. House of Representatives
Room 1334, Longworth House Office Building
Washington, DC 20515

Dear Chairman Jones:

In response to your letter of May 29 regarding the Administration's proposal to set up a salt water fishing license, the following are my personal observations. Our Council has not specifically addressed the proposal and does not have a formal position on a salt water license program. It is quite likely that should the Council take the matter up there would be a wide variety of opinion among Council members.

Regarding equity (1), commercial fishermen in the New England and Mid-Atlantic area generally are already permitted (actually the vessel is permitted) if they fish for any of the more important species, and many states are already collecting licensing fees from commercial fishermen. Freshwater licenses seem better left to state governments, and marine waters that comprise the territorial seas or the inland waters of the various states are generally subject to state licensing requirements also. There seems no reason for federal intrusion into those areas, and it may well be redundant to implement a federal license.

Regarding administration and enforcement (2), the administration of a federal permit system should be a function of the National Marine Fisheries Service as far as design, recordkeeping and general coordination are concerned but, there is no reason states could not handle actual issuance and fee collection and share in the revenues to compensate for their participation. The licenses could well be designed to allow for a state endorsement which would make the permit valid for fishing in state waters also. Enforcement should clearly be a coordinated joint effort with both partners on an equal footing. A federal license with an endorsement by state A should not authorize fishing in waters under the jurisdiction of state B.

Regarding alternatives (3), it has been my observation whenever this type of proposal has been discussed informally, that anglers and organizations of recreational fishermen will be extremely resentful of a fee that does not go directly into a dedicated account or fund to provide data, facilities, and enforcement for the benefit of recreational fishing.

I hope these comments will be of use to you, and I reiterate that they are not a position adopted by the New England Fishery Management Council.

Sincerely,

Douglas G. Marshall
Executive Director

DGM.1450C

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PACIFIC FISHERY MANAGEMENT COUNCIL

CHAIRMAN
Joe Easley

Metro Center, Suite 420
2000 S.W. First Avenue
Portland, Oregon 97201
Phone: Commercial (503) 221-6352
FTS 8-423-6352

EXECUTIVE DIRECTOR
Joseph C. Greenley

RECEIVED
JUL 3 1986
COMMITTEE ON MERCHANT MARINE
AND FISHERIES

July 2, 1986

Congressman Walter B. Jones, Chairman
Congressman William Carney, Ranking Minority Member
Subcommittee on Oversight and Investigations
Merchant Marine and Fisheries Committee
U.S. House of Representatives
1334 LHOB
Washington, DC 20515

Dear Congressmen Jones and Carney:

The Pacific Fishery Management Council (Council) appreciates this opportunity to comment on the Administration's proposal to establish a federal marine recreational fishing fee. The Council actively manages the salmon, groundfish, and anchovy fisheries in the exclusive economic zone (EEZ) off Washington, Oregon, and California. There are major sport fisheries in the EEZ for salmon and groundfish.

We wish to state at the outset that we are opposed to the proposal for several reasons.

First, fishermen already purchase a variety of state licenses, stamps, and punchcards for the privilege of fishing in marine waters off Washington, Oregon, and California. Further, the states have been forced to raise the cost of these licenses, actions which have been met with considerable resistance, which have resulted, in some cases, in reduced participation and less than expected revenue. It is the Council's view that adding an additional $10 federal fee on top of these "privileges" will only aggravate this situation. It is doubtful that the states and the Administration would realize the estimated $40 million in fiscal year 1987. Also, sport fishermen currently pay user fees in the form of taxes on fuel and tackle.

Second, revenues from any such fee should be earmarked for fishery programs. The proposal to place the funds in the U.S. Treasury in unacceptable. Any state or federal license fee will be opposed by the users if the funds are not dedicated to programs that benefit them.

Third, the proposal appears to cover marine recreational fishing for all species, while the federal government manages only a few. It does not seem reasonable to require angling fees for species which the federal government does not address.

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Fourth, another concern is the potential adverse impact on charter boat businesses and their customers. Requiring each passenger to purchase a $10 federal license in addition to the other costs of fishing may be a significant deterrent to families and individuals that rely on charter boats to enjoy ocean fishing.

The Council supports fishing licenses for all users because of their obvious revenue and management benefits, but the States of Washington, Oregon, and California already have marine license programs. Also, we are concerned about the impacts of the Administration's proposal on these programs.

Regarding alternative ways to generate revenue, the Council suggests you consider implementing a poundage fee on joint venture processors which currently do not pay the state landing tax required of other commercial vessels in the fishery. The revenue generated from this fee must be earmarked for research and management of joint venture species.

The remainder of the questions in your letter address the implementation of a federal marine recreational license program. As discussed above, the Council is adamantly opposed to such a program, particularly one which generates nondedicated funds and only impacts recreational users. Therefore, we believe responding to these concerns would be irrelevant.

Thank you for giving the Council the opportunity to respond to this initiative. When and if legislation is introduced, it is likely we will address the specifics of that legislation.

Sincerely,

Joseph C. Greenley
Executive Director

JCG:rcb

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North Pacific Fishery Management Council

James O. Campbell, Chairman
Jim H. Branson, Executive Director

411 West 4th Avenue
Anchorage, Alaska 99510

Mailing Address: P.O. Box 103136
Anchorage, Alaska 99510

Telephone: (907) 274-4563
FTS 271-4064

July 1, 1986

RECEIVED
JUL 3 1986
COMMITTEE ON MERCHANT MARINE
AND FISHERIES

Representative Walter B. Jones
Chairman
House Committee on Merchant Marine
and Fisheries
1344 Longworth House Office Bldg.
Washington, D.C. 20515

ATTN: John Dentler

Dear Representative Jones:

At its meeting last week in Kodiak the North Pacific Fishery Management Council considered your letter of May 29, 1986 regarding federal marine recreational fishing fees. The Council voted unanimously to oppose the Administration's proposal to establish a $10 marine recreational fishing fee. The Council believes the proposal would place an undue burden on coastal states, would limit the ability of those states to increase their own fishing fees in the future, and would further burden recreational fishermen. Several of the Council members strongly objected to the principle of using the fishing fee as a means to raise revenues for the General Fund. The objections to the proposal on the Council were so strong that members did not feel it was necessary to address the questions listed in your letter. The Council thanks you for the opportunity to comment on this proposal and for your interest in the Council's position on the matter.

Sincerely,

Jim H. Branson
Executive Director

APR86/CB

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WESTERN PACIFIC REGIONAL FISHERY MANAGEMENT COUNCIL
1164 Bishop Street, Room 1405
Honolulu, Hawaii 96813
PH: (808) 523-1368

RECEIVED
JUN 23

June 12, 1986

Congressmen Walter B. Jones
and William Carney
Subcommittee on Oversight and Investigations
Committee on Merchant Marine and Fisheries
Room 1334, Longworth House Office Building
Washington, D.C. 20515

Dear Congressmen:

This is in reply to the Subcommittee's questions regarding the Administration's proposal to establish a Federal marine recreational fishing fee.

(1) EQUITY:

Should the licensing requirements apply just to recreational anglers, or should commercial fishermen also be licensed?

Commercial and recreational fishermen are often at odds with each other and each side does not want the other side to be treated differently. Since there is a political problem right off the bat, I would say that, yes, equity demands that all fishermen be treated alike. Hawaii already has a licensing program for commercial fishermen but not for recreational fishermen. American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands do not have any licensing programs. It seems that the issue is not whether to license or not to license fishermen, but rather how to best get good catch and effort data so that reliable stock assessments can be made. Using license fees to augment the General Fund always invites controversy and debate. The package could be made sweeter by earmarking some of the Federal funds for stock assessment research. Sweetners will undoubtedly be needed to entice the States and the affected fishermen to go along with any fishing license fee proposal.

Should a similar licensing system be established for fresh water sports fisheries managed or supported by the Federal government?

I am not aware of any fresh water fisheries in the Western Pacific Region which are managed by the Federal government. The Federal government does, however, underwrite much of the hatchery costs for stocking fresh water fish in Hawaii. The State of Hawaii, like most other states, already licenses fresh water fishermen. Fresh water fisheries in American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands probably do not need a licensing fee system.

Should the license apply to all marine waters or just the Exclusive Economic Zone?

The license should apply to all areas where major species of marine fish are -- that is, all marine waters of the Western Pacific Region. As much or, perhaps, more marine fish are caught in State and Territorial waters as in the EEZ. Splitting the management of marine fisheries on the basis of jurisdiction is fiction. It cannot work.

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(2) ADMINISTRATION AND ENFORCEMENT:

Should States administer the program or should it be left in the hands of the Federal government?

How can one leave something in the hands of the Federal government when there is nothing to begin with that could be left? The old adage applies: the closer to the people, the better the odds that the program will work. The Federal government, however, should establish purposes and standards to be met, and provide financial assistance to the states for meeting the standards.

How will the license requirement be administered and enforced and by whom?

This would depend on the purposes of the license requirement other than providing revenues for the General Fund.

Should a license holder be allowed to fish in the marine waters adjacent to any state?

Yes. Many states have entered into reciprocal regional compacts whereby students from a state in the region can pay resident tuition when enrolling in any of the neighboring state universities. This model can be applied to "regional" licensing of recreational fishermen as well.

(3) ALTERNATIVES:

Are there other systems that could be used to offset the Federal costs of fisheries conservation and management?

None are apparent assuming that the reference made regard the costs of fisheries conservation and management under the Magnuson Act. Compared to other outlays that the NOAA makes for marine programs, the costs of fisheries conservation and management (outlays for the Regional Councils) are very small. Costs could be offset by cutting the budget of the National Marine Fisheries Service.

Should a system be developed that would return funds to a specific agency or account rather than the General Fund of the U.S. Treasury?

Yes. Raising general revenues through a fishing license scheme is poor policy and bad politics.

Is there a more equitable way to implement the President's proposal? If so, how?

Fishermen should be able to at least deduct the cost of the license from both their Federal and State income taxes. The proposal should be made to sound "revenue neutral" for it to stand a chance of passage. "Revenue neutral" can also include a notion that fishermen would indeed be getting something back in return for their money.

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Please keep us informed of the Congressional developments regarding the Administration's fishing license fee proposal.

Sincerely yours,

Justin Ruetka/for

Kitty Simonds
Executive Director
WESTERN PACIFIC REGIONAL FISHERY
MANAGEMENT COUNCIL

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The Borough of Bay Head, Township of Berkely, Borough of Lavallette, Borough of Ocean Gate, and Town of Stafford, all in New Jersey, have petitioned Congress with resolutions similar to the one below opposing the proposed fishing license.

RESOLUTION

RESOLUTION PETITIONING VARIOUS OTHER GOVERNING BODIES AND ELECTED FEDERAL, STATE AND LOCAL OFFICIALS TO OPPOSE THE ENACTMENT BY THE UNITED STATES CONGRESS OF ANY LEGISLATION TO LICENSE RECREATIONAL SALT WATER FISHERMEN.

June 4, 1986

WHEREAS, the Federal Budget for Fiscal Year 1987, submitted by the President of the United States to the Congress on February 6, 1986, includes a proposal to establish a licensing fee of $10.00 per person for recreational salt water fishermen throughout the United States; and

WHEREAS, the 17 million recreational salt water fishermen in the United States would be adversely affected by this arbitrary and unnecessary bureaucratic action, while foreign fishing fleets might benefit from the inevitable increase in surplus fish that would result from a decline in recreational fishing; and

WHEREAS, the Mayor and Council of the Borough of Bay Head, Ocean County, New Jersey are fully supportive of the recreational salt water fishing activities of our residents and all visitors to the entire New Jersey Shore; and

WHEREAS, the New Jersey Coast Anglers Association, which represents 47 salt water fishing clubs in New Jersey, with a total of approximately 24,000 members, is opposed to this licensing fee because it would unfairly limit access to fishing in our coastal waters to those who can afford the $10.00 fee; and

WHEREAS, such a licensing requirement would obstruct the pursuit of casual salt water fishing in New Jersey, a pastime that is a vital component of our seacoast tourist trade; and

WHEREAS, recreational salt water fishermen are already paying local, state and federal taxes that should provide sufficient funds for the management of, and research on, salt water fishing.

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NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Bay Head, County of Ocean, State of New Jersey, as follows:

1. That the Congress of the United States is hereby respectfully petitioned to oppose the enactment of legislation to license recreational salt water sports fishermen in the United States.

2. The Borough Clerk is hereby directed to forward certified copies of this resolution to the following:

a) The President of the United States, the Honorable Ronald Reagan
b) Speaker of the United States House of Representatives, the Honorable Tip O'Neill
c) United States Senator William Bradley
d) United States Senator Frank Lautenberg
e) United States Congressman James J. Howard
f) New Jersey Governor Thomas H. Kean
g) New Jersey State Senator John F. Russo
h) New Jersey Assemblyman John Paul Doyle
i) New Jersey Assemblyman Robert W. Singer
j) The Ocean County Board of Chosen Freeholders
k) The Governing Bodies of all other Ocean County, New Jersey Municipalities

CERTIFICATION

I hereby certify that the within Resolution was finally passed by the governing body of the Borough of Bay Head, in the County of Ocean on the 4th day of June, 1986.

In witness whereof I have hereunto set my hand and the official corporate seal of said Borough this 5th day of June, 1986.

Margaret K. Heaney, Borough Clerk

William H. Robertson
Mayor

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Congressional Research Service
The Library of Congress

Washington, D.C. 20540

July 1, 1986

TO : House Merchant Marine and Fisheries Committee
Attn: Lee Crockett

FROM : American Law Division

SUBJECT : Receipt of Fees from Proposed Marine Fishing License Program

You have asked us to comment on approximately when funds collected for federal fish stamps or marine fishing license fees under a proposed but not yet drafted program might be expected to actually reach the federal treasury.

Obviously, the probable time frame will vary depending on the nature of the licensing and collection system that ultimately is enacted. If the program is to be completely federal and similar to the federal duck stamp program under which stamps are sold through the post offices, and if the new fishing fee program is adequately funded such that the necessary regulations and personnel could be put in place promptly, revenues might begin to reach the federal treasury within one or two fiscal years.

If, however, as has been discussed by some proponents, a cooperative state/federal marine fishing licensing program is envisioned, a longer length of time is likely. It appears reasonable to allow up to two years for state legislation to be enacted to set up the program, to budget funds for start up and personnel, and actually begin the licensing and collection processes.

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information on the times various state legislatures convene has been sent to you under separate cover.

In addition, if funds are collected by state employees, either pursuant to direct statutory authorization or pursuant to cooperative agreements between the federal and state authorities, we are advised by officials at at least one state treasury (Maryland), such funds must go through the state accounting procedures, into the state treasury, appear in the normal budget processes, and be moved to the federal treasury through appropriating legislation. To the extent that this is the case in other states as well (which appears likely given the normal procedures applicable to state employees who collect funds), it is likely to take another year after the state program is in place to actually move the federal share of the collected funds to the federal treasury.

If, as is frequently the case in federal laws relating to environmental issues, the enacted legislation envisions a program that is initially federal followed by some form of state or cooperative program, the likelihood of the federal program actually being established depends on the adequacy of funding and the promptness with which the federal administrative officials are required to act.

Therefore, to summarize, if the fee program is federal, adequately funded, and required to be established promptly, it appears that fees may be realized within one or two years. If the program is state or involves collection of fees by state employees, a longer time is likely. Two years for the enactment of responsive state legislation and one additional year to collect and move the federal share of the revenues appears to be a reasonable estimate.

We hope this information is helpful to you.

Pamela Baldwin
Legislative Attorney

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The following table of State Legislature convening dates and effective dates of enacting legislation was compiled from information provided by the Congressional Research Service.

STATE	NEXT REGULAR SESSION	LENGTH OF SESSION OR ADJOURNMENT DATE	EFFECTIVE DATE OF ENACTING LEGISLATION
Alabama	2/3/87	30 Legislative days within 105 calendar days	Immediately after enactment
Alaska	1/12/87	No limit	90 days after enactment
California	1/5/87	11/30/87	90 days after enactment
Connecticut	1/5/87	6/3/87	10/1/87
Delaware	1/13/87	6/30/87	Immediately after enactment
Florida	4/7/87	60 calendar days	60 days after adjournment
Georgia	1/12/87	40 legislative days	7/1/87
Hawaii	1/21/87	60 legislative days	Immediately after enactment
Louisiana	4/20/87	60 legislative days within 85 calendar days	60 days after adjournment
Maine	12/4/87	100 legislative days	90 days after adjournment
Maryland	1/14/87	90 calendar days	6/1/87
Massachusetts	1/7/87	No limit	90 days after enactment
Mississippi	1/6/87	125 calendar days	60 days after enactment
New Hampshire	1/7/87	90 legislative days	60 days after enactment
New Jersey	1/13/87	No limit	7/4/87
New York	1/7/87	No limit	20 days after enactment

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North Carolina	1/14/87	No limit	30 days after adjournment
Oregon	1/12/87	No limit	90 days after adjournment
Rhode Island	1/6/87	60 legislative days	10 days after adjournment
South Carolina	1/13/87	6/2/87	20 days after enactment
Texas	1/13/87	140 calendar days	90 days after enactment
Virginia	1/14/87	30 calendar days	7/1/87
Washington	1/12/87	105 calendar days	90 days after adjournment

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State of Florida
DEPARTMENT OF NATURAL RESOURCES

DR. ELTON J. GISSENDANNER
Executive Director
Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard, Tallahassee, Florida 32303

BOB GRAHAM
Governor
GEORGE FIRESTONE
Secretary of State
JIM SMITH
Attorney General
GERALD A. LEWIS
Comptroller
BILL GUNTER
Treasurer
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June 20, 1986

Mr. John Dentler
U.S House of Representatives
Subcomaittee on Oversight and Investigations
Committee on Merchant Marine and Fisheries
1334 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Dentler:

We received a copy of your letter requesting comments on the proposed federal recreational fishing fee.

At one time there was a strong effort to make the federal marine recreation license similar to the boat registration program such that states not having their own licensing system would fall under a federal program. This was great stimulation for the states to accomplish the much needed registration requirement. Past discussions on federal marine recreation fishing licenses have had the same ultimate goal in mind. In reading your letter, it would appear that such might not be the case at this time, and that the federal government itself may be looking for an overall funding source. If so, we would object to such a license, unless it took the states' efforts into account, and also applied only to the federal zone. Our commercial fishermen are already licensed by the State and licensing of recreational saltwater anglers, although not passed by our legislature, is rapidly gaining support and has good potential to be passed into law next year. Therefore, the imposition of an even greater tax on top of the new state tax would not seem appropriate.

Using your standard letter of May 29, in which you listed the three areas the subcommittee will address, please allow me to be a little more specific:

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(1) Equity: The Licensing requirements should apply to all fishermen fishing the federal zone. It should only apply to state waters two years after it goes into effect if the state does not have, or does not adopt in the two year period, a state license program covering state marine waters. If a state has in place, or adopts a state marine license program in the two years, a credit in the amount of the state license should be given against the cost of the federal license.

(2) Administration and Enforcement: The states should be allowed to handle the sale of the federal license for the cost of issuance as a service to the citizens. The states should not enforce the federal license requirements in the federal zone unless the federal government is willing to pay the cost out of the federal license funds.

(3) Alternatives: Of course, one alternative would be to increase marine related taxes, rather than implement the new tax. Yes, they should be allocated to a specific marine fishery conservation and management responsibility and appropriated to the selected agencies to carry out that responsibility. You have the opportunity to provide the impetus for other states to get going and do a good job, while at the same time providing significant monies to the federal level for fisheries enforcement and management only, and not for other federal government purposes.

Thank you very much for the opportunity to comment.

Sincerely,

Elton J. Gissendanner
Executive Director

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Statement of Ken Hinman, Executive Director, National Coalition for Marine Conservation

The National Coalition for Marine Conservation (NCMC) is a non-profit organization dedicated to conserving fishery resources and protecting the marine environment for present and future generations of Americans. The vast majority of our members are recreational fishermen, from every coastal state, who share a common concern for the future of salt water fishing and a common recognition that that future depends on responsibly managing and conserving our marine resources today.

Fishery agencies at every level of government are understaffed and under-equipped to meet the increasing demands of marine fisheries management. Overexploitation, habitat degradation and the resulting intense competition for scarce resources is severely taxing the ability of managers to keep pace with management needs: chiefly, their ability to obtain and assess the biological and socio-economic information they need to support rational decision-making; enforce fishing regulations and laws to protect fish habitat; and continue to offer a quality recreational experience to millions of salt water anglers.

Licensing marine recreational fishermen at a nominal fee can assist fisheries management in two very fundamental ways: 1) create a continuous and dependable source of revenue to support improved fisheries research, management and enforcement activities; and 2) identify the size and nature of the fishing constituency so that fisheries programs and management decisions will more accurately reflect the needs of the users.

The NCMC endorses the concept of licensing marine recreational fishermen because of its potential for enhancing fishery conservation and management programs. There is, however, as in every other human endeavor, a right way and a wrong way to license marine recreational fishermen.

Although licensing anglers to fish in fresh water is well established and accepted in this country, and has been for many years, and eight of twenty-three coastal states currently require their sportfishermen to purchase a license of some kind to fish in salt water, a marine angling license remains highly controversial among many sportsmen. This can be attributed to, among other things, long-held notions of the ocean as the "last frontier," reluctance to accept "just another tax," and skepticism about whether license revenues would truly be used to provide increased benefits for fishermen.

Winning the trust and support of the fishermen is critical to instituting a successful licensing program. Those in the marine recreational fishing community who appreciate the very substantial benefits that can be realized from licensing have therefore maintained that any licensing system must fairly and equitably address the real concerns and needs of recreational fishermen, while educating anglers on what they stand to gain from such a system.

Unfortunately, the President's proposal for a federal ocean sportfishing license now under consideration addresses none of these concerns. On the contrary, it merely reinforces all the old suspicions about licensing as "just another tax," because that's what it is.

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The President's proposal is both ill-conceived and poorly designed. It was contrived as nothing more than a way to increase federal revenues and thereby reduce (however minimally) the federal deficit. Clearly, little or no thought was given to what it would or would not contribute to the management of the nation's fisheries. As written, this proposal would achieve nothing to benefit either the fish or the fishermen.

Also, considered in the context of a "user fee," this license is discriminatory in that it singles out one group of resource users (recreational anglers) from among many. When this injustice is compounded by the fact that the proceeds from that fee would not be used to foster better management of that resource, but would at best merely offset proposed cuts in federal fisheries appropriations and at worst be used to fund non-fisheries programs, it is totally unacceptable.

In the interest of promoting a constructive dialogue on the license issue, the NCMC would like to state for the record those elements which we believe an acceptable marine recreational fishing license should contain, each of which the committee will recognize as lacking in the administration's proposal.

But first, we emphasize that, in our opinion, licensing of marine recreational fishermen should be implemented on the state level, not the federal, with revenues from license fees remaining in the coastal state and supporting state marine fisheries programs, where they can provide services in a manner more responsive to the local needs of the fishermen.

The federal role in licensing, if there is one, should be restricted to setting guidelines for state license initiatives based on the mandatory features listed below, and providing incentives to the states to adopt licenses along these lines, and disincentives to those states which do not.

- All marine recreational fishing license revenues must, by statute, be earmarked for marine recreational fishery programs or projects, such as gathering biological and catch/effort information on the fisheries, habitat protection and restoration, improved access to the resources, and enforcement.

- Funds obtained from the sale of recreational fishing licenses must be supplemental to existing funding for the above programs, and not replace existing funding sources.

- The institution of any license for recreational fishermen must be complemented by an appropriate license for commercial fishermen to harvest and to sell fish.

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Sport Fishing Institute

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COMMITTEE ON MERCHANT MARINE AND FISHERIES

July 3, 1986

Mr. Walter B. Jones
Chairman
Merchant Marine Fisheries Committee
Room 1334 Longworth House Office Building
Washington, DC 20515

Dear Chairman Jones:

This is the Sport Fishing Institute's (SFI) response to your written questions relating to the proposed marine sport fishing license, the subject of your hearing held on June 19, 1986. We were pleased to provide testimony at the hearing and we welcome this further opportunity to provide the input which you requested by letter dated June 23, 1986. I have responded to each of the eight questions as follows:

1) Q. How many marine anglers fish in the Exclusive Economic Zone each year? What percent of the marine recreational catch comes from Federal waters?

A. The actual numbers of anglers by area fished are not reflected in any surveys which we have seen. According to surveys conducted by the National Marine Fisheries Service (NMFS), the average percent of recreational fishing trips taken in the Exclusive Economic Zone (EEZ) for the entire U.S. coast is 19 percent, 77 percent of the recreational fishing trips take place in the territorial seas, and the location of 4 percent of the trips was unknown.

By weight caught, 64.1 percent of the recreational harvest comes from the territorial sea, and 35.9 percent comes from the EEZ.

2) Q. What services does the Federal Government provide to marine anglers? What fees do anglers already pay for these services?

A. The NMFS' budget request for 1987 in the four categories which benefit recreational fishermen i.e. Resource Information, Fishery Management, Habitat Conservation, and Enforcement, total $67.39 million. The actual fiscal 1986 appropriation for these four programatic areas totaled $107.68 million. It is difficult to separate these services into discrete units for the recreational fraternity versus the

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commercial fraternity as the activities benefit both groups. It can be safely stated, however, that the majority of NMFS' programs are more directly related to the traditional commercial fishing sector than to the growing recreational sector.

Marine recreational anglers, as tax paying citizens of the United States, generate an enormous amount of economic activity which benefits U.S. Government coffers. SFI estimates that in 1985, marine recreational fisherman generated $9.8 billion in economic activity including $5.2 billion in direct retail expenditures. The total economic activity associated with marine recreational fishing in 1985 created 120,000 full-time equivalent jobs that, in turn, generated $2.3 billion in wages and salaries. Based on U.S. Government statistics, on the average, 22 percent of wages and salaries accrue to the federal government in various forms of taxes. Therefore, wages and salaries associated with marine recreational fishing is estimated to have generated approximately $500 million in tax deposits to the Federal Treasury in 1985.

3) Q. If marine anglers were required to share the costs of research and management conducted by the Federal Government, would they prefer a flat fee or another type of fee?

A. As reflected in the testimony provided by SFI, we believe that any fee structure to off-set the costs of resource management (in cooperation with the federal government) should reflect equity based on resource consumption. We further recommended that a nominal suplementary federal stamp program could be constructed which would compliment existing state licensing programs. We envision that stamp costs could vary depending upon stocks and recreational harvest demands.

4) Q. If the Administration's proposal were enacted, how should the generated revenue be spent?

A. Our formal testimony was quite clear in this regard. Any license or stamp revenue that is collected from recreational fishermen must be wholey dedicated, and earmarked for development programs which would benefit the recreational fraternity. Such programs could include resource enhancement, research, management, and enforcement. Furthermore, any additional revenues collected from recreational fishermen must be additive to current or existing funding levels and not simply replace the currently inadequate expenditures by the Federal Government for resource protection and enhancement.

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5. Q. Your organization has advocated a State marine sportfishing license program. What are the advantages of a State licensing program as opposed to a Federal licensing program?

   A. First, state licensing would be consistent with the long-standing U.S. tradition of state licensing for hunters and fishermen. Secondly, every state has existing multidisciplinary programs to address recreational fishing needs, including law enforcement, public relations, research, management, and habitat protection. These programs can be bolstered as necessary to address coastal development needs. That is to say the states have considerable experience in collecting and allocating hunting and fishing license revenues. The U.S. Government has little such experience. Third, state licensing would improve coastal states capability to attract and match Federal Aid in Sport Fish Restoration Act monies (Wallop-Breaux Trust Fund).

6. Q. In your testimony you indicate that there would be a sharp decline in marine sportfishing participation if the President's proposal is implemented. Can you elaborate on this statement?

   A. Currently, seven states require their recreational marine fishermen to be licensed, probably at an annual rate close to maximum acceptable levels. These annual fees are as follows: California, $18.25; Texas, $13; Louisiana, $8; Maryland, $13; Alaska, $10; Oregon, $17; and Washington, $8 (steel-head and salmon stamps, collectively). The average cost for these licenses and/or stamps is $12.46. To add a minimum $10 (plus administrative costs) new charge to these existing license requirements would essentially double the costs to recreational fishermen in these states. We know from considerable experience that increases in license fees of much lower magnitude results in a decline in recreational fishing participation. Such declines are generally recovered over a period of time following the increase. We have no experience with a license increase in the order of a doubling, but based on the track record of lesser increments in licensing increases and the recorded decline in recreational participation that results therefrom, it is apparent that the number of participants in recreational fishing would decline sharply if the federal $10 license were applied in those states that currently license their anglers.

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7) Q. Mr. Gutting of the National Fisheries Institute has proposed increasing foreign fishing fees and/or establishing fees for joint-venture fisheries as an alternative to the President's proposal. Do you support either of these alternatives?

A. We are strongly in support of establishing fees for joint venture fisheries which are currently not contributing to the management requirements of our EEZ fishery resources.

8) Q. In your testimony, you indicate that marine anglers already pay over $400 million per year in fishing fees and taxes. Can you provide us with a breakdown of this figure?

A. Fishermen contribute in two basic ways, the first being excise taxes and import duties which fund the Federal Aid in Sport Fish Restoration Program. In 1985, these special use fees paid by fishermen accumulated to $122,167,378. During the same year, recreational fishermen in the U.S. paid collectively $281,925,169 in license fees*. The total of these two result in the $404,092,547 figure.

Chairman Jones, we hope that this additional information is of assistance to you. We greatly appreciate your continued interest in the recreational fishing license question.

Sincerely yours,

Norville S. Prosser
Vice President

NSP/Ta6

* Includes all states except Massachusetts which is estimated at license sales of $2.273 million from the 1984 Massachusetts collections.

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